



**KBC Group**  
**Naamloze Vennootschap (company with limited liability)**  
**Havenlaan 2 – 1080 Brussels**  
**VAT BE 0403.227.515 (RLP Brussels)**

**Information to shareholders in KBC Group NV pursuant to Article 533bis §2, first paragraph, d) of the Companies Code**

In accordance with Article 533bis §2, first paragraph, d) of the Companies Code, shareholders in KBC Group NV can find here, for the items on the agenda for both its Annual General Meeting and Extraordinary General Meeting to be held on 2 May 2019, draft resolutions and comments of the Board of Directors.

**Agenda for the Annual General Meeting**

1. Review of the combined annual report of the Board of Directors of KBC Group NV on the company and consolidated annual accounts for the financial year ending on 31 December 2018.

*Comment by the Board of Directors: In compliance with Article 119 of the Companies Code, the annual report on the consolidated annual accounts has been combined with the annual report on the company annual accounts drawn up according to Articles 95 and 96 of that Code.*

2. Review of the statutory auditor's reports on the company and the consolidated annual accounts of KBC Group NV for the financial year ending on 31 December 2018.

*Comment by the Board of Directors: The statutory auditor's report on the company annual accounts has been drawn up according to Articles 143 and 144 of the Companies Code. The statutory auditor's report on the consolidated annual accounts has been drawn up according to Article 148 of the Companies Code.*

3. Review of the consolidated annual accounts of KBC Group NV for the financial year ending on 31 December 2018.

*Comment by the Board of Directors: The consolidated annual accounts have been drawn up according to Article 110 et seq of the Companies Code and will be further explained during the Annual General Meeting.*

4. Resolution to approve the company annual accounts of KBC Group NV for the financial year ending on 31 December 2018.

5. Resolution to approve the proposed profit distribution by KBC Group NV for the financial year ending on 31 December 2018, whereby 1 456 286 757 euros will be paid as a gross dividend, i.e. a gross dividend per share of 3.50 euros, and 10 070 831,71 euros allocated as categorized profit premium to the employees. Further to payment of an interim dividend in the sum of 415 897 567 euros, the balance of gross dividend remaining to be paid is 1 040 389 190 euros, i.e. a gross final dividend of 2.50 euros per share.
6. Resolution to approve the remuneration report of KBC Group NV for the financial year ending on 31 December 2018, as included in the combined annual report of the Board of Directors of KBC Group NV referred to under item 1 of this agenda.
7. Resolution to grant discharge to the directors of KBC Group NV for the performance of their duties during financial year 2018.
8. Resolution to grant discharge to the statutory auditor of KBC Group NV for the performance of its duties during financial year 2018.
9. At the request of the statutory auditor and following favourable endorsement by the Audit Committee, resolution to raise the statutory auditor's fee for financial year 2018, by increasing it to 231 918 euros.

*Comment by the Board of Directors: On 3 May 2018, the General Meeting decided to increase the auditor's fee for the financial year 2017 from 152 000 euros to 229 445 euros, due to changes in the scope of the audit work and an index adjustment. The General Meeting is requested to set the fee for the financial year 2018 at 231 918 euros. This increase relates to an index adjustment*

10. In pursuance of the recommendation made by the Audit Committee and on a nomination by the works council, motion to reappoint PricewaterhouseCoopers Bedrijfsrevisoren CVBA ("PwC") as statutory auditor for the statutory period of three years viz. until the close of the Annual General Meeting in 2022. PwC has designated Mr Roland Jeanquart and Mr Tom Meuleman as representatives.

Motion to fix the statutory auditor's fee at an annual amount of 234 000 euros, to be adjusted annually on the basis of the consumer price index figure, with a maximum increase of 2% per year.

## 11. Appointments

- a. Resolution to appoint Mr. Koenraad Debackere as director for a period of four years, i.e. until the close of the Annual General Meeting of 2023.
- b. Resolution to re-appoint Mr. Alain Bostoën, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2023.
- c. Resolution to re-appoint Mr. Franky Depickere, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2023.
- d. Resolution to re-appoint Mr. Frank Donck, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2023.
- e. Resolution to re-appoint Mr. Thomas Leysen as an independent director within the meaning of and in line with the criteria set out in Article 526ter of the Companies Code for a period of four years, i.e. until the close of the Annual General Meeting of 2023.

The proposed changes in the composition of the Board of Directors will be discussed during the Annual General Meeting. In consideration of the advice issued by the Nomination Committee, the Board of Directors recommends the proposed appointments. A brief CV for the proposed new director can be found in the 'Corporate governance statement' section of the annual report, which will be available at [www.kbc.com](http://www.kbc.com) from Friday, March 29, 2019.

A brief CV of the directors whose reappointment is proposed can be seen at [www.kbc.com](http://www.kbc.com) (Home – Corporate Governance – Leadership – Board of Directors: Members).

## 12. Other Business

### **Agenda for the Extraordinary General Meeting**

***The Extraordinary General Meeting will take place on condition that the law introducing the Code on Companies and Associations as adopted by the Chamber of Representatives at its plenary of 28 February 2019, has been published in the Belgian Official Gazette at the latest on 1 May 2019.***

1. Motion to anticipate the entry into force of the law introducing the new Belgian Code on Companies and Associations as adopted by the Chamber of Representatives at its plenary of 28 February 2019 and to voluntarily opt-in to this new Code according to art. 39 §1 of the said law.  
To this end, motion to align the Articles of Association with the new Code on Companies and Associations and to decide :
  - to delete the second sentence of Article 1 of the Articles of Association;
  - to replace Article 11 of the Articles of Association by the following text:  
*'Under the conditions laid down by law, the company and its direct and indirect subsidiaries may acquire and dispose of the shares of the company.'*
  - to replace Article 12, paragraph 1 of the Articles of Association by the following text:  
*'The company shall be administered by a Board of Directors and an Executive Committee, in accordance with the applicable legislation.  
  
The Board of Directors shall comprise at least three directors -who may or may not be shareholders- appointed by the General Meeting of Shareholders, on condition that at least three members of the Board have the capacity of independent director in accordance with the Code on Companies and Associations. The office of director may be revoked at any time.'*
  - to replace Article 15, last paragraph of the Articles of Association by the following text:  
*'For the rest, the Board of Directors may make all arrangements for the effective functioning of the Board of Directors, the committees of the Board of Directors and the Executive Committee.'*

- to replace Article 16, last paragraph of the Articles of Association by the following text:

*'The resolutions of the Board of Directors may also be passed by unanimous written agreement of the directors.'*

- to replace Article 18 of the Articles of Association by the following text:

*'The Board of Directors is empowered to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.'*

*'Within the limits of its authority, the Board of Directors may confer special powers on agents of its choice.'*

- to replace Article 20, paragraph 1 of the Articles of Association by the following text:

*'The Executive Committee is empowered to perform all acts that are necessary or useful in achieving the company's object, apart from those powers invested in the Board of Directors pursuant to Article 18.'*

- to replace Article 20, paragraph 3 of the Articles of Association by the following text:

*'The resolutions of the Executive Committee may be passed by unanimous written agreement of its members.'*

- To replace Article 21 of the Articles of Association by the following text:

*'The company shall be represented by either two members of the Executive Committee, or one member of the Executive Committee acting together with either a senior general manager, the secretary to the Board of Directors, the secretary to the Executive Committee or the Group Secretary.'*

*'With regard to the powers of the Board of Directors and without prejudice to the previous paragraph, the company may also be represented by two directors, one of whom is required to be a member of the Executive Committee.'*

*'Lastly, the company may be represented by persons especially empowered for that purpose.'*

- to replace Article 22, paragraph 1 of the Articles of Association by the following text:

*'Supervision of the company's financial situation and annual accounts shall be exercised by one or more statutory auditors who are appointed and remunerated in accordance with statutory provisions.'*

- to replace 'bonds' with 'convertible bonds' in Articles 23, 27, 28 and 34 of the Articles of Association and to insert the following transitional provision in Article 23:

*'Transitional provision*

*The last paragraph of Article 23 shall also apply to holders of ordinary bonds which are not convertible into shares and which have been issued before the taking into effect of the amendment to the Articles of Association decided upon by the*

*Extraordinary General Meeting of Shareholders of 2 May two thousand and nineteen to the extent that this right is explicitly granted to them in the issue conditions of the securities concerned. In this case Articles 27, 28, 29 and 34 shall apply mutatis mutandis.'*

- to replace in the second sentence of Article 25, paragraph 1 of the Articles of Association the phrase 'who hold at least one-fifth of the shares or who represent at least one-fifth of the share capital' by '*who represent at least one-tenth of the share capital*'.
- to replace Article 35, last sentence of the Articles of Association by the following text:  
*'Copies and extracts shall be validly signed by two directors, one of whom is required to be a member of the Executive Committee.'*
- to replace Article 36, last paragraph of the Articles of Association by the following text:  
*'The directors shall draw up a report each year accounting for their management.'*
- to replace Article 38 of the Articles of Association by the following text:  
*'The Board of Directors is authorised, in accordance with statutory provisions, to pay an interim dividend.'*
- to delete in Article 39 of the Articles of Association the phrase 'pursuant to Articles 184 et seq. of the Companies Code'.
- to replace in Article 41 of the Articles of Association the words 'directors' by '*members of the Board of Directors and of the Executive Committee*'.
- to replace in the Articles of Association:
  - in the Dutch text of Article 2 and the related title: the word 'doel' by '*voorwerp*';
  - in Articles 6, 7, 8, 11bis, 27, 28 and 34: the words 'warrants' by '*subscription rights*' and -in the Dutch text- 'warranthouders' by '*houders van inschrijvingsrechten*'; and
  - in Articles 16 and 20: the words 'Companies Code' by '*law*'
- to delete in the Dutch text of Articles 2, 3, 5, 6, 7, 8, 24, 37, 40, 41 and the related title of the Articles of Association the words 'maatschappelijk' and 'maatschappelijke'.

**Comment by the Board of Directors:** *the law introducing the Code on Companies and Associations (hereinafter 'NBCC') has been adopted by the Chamber of Representatives at its plenary of 28 February.*

*The NBCC substantially changes the Belgian corporate landscape, by reducing the number of corporate forms and introducing greater flexibility and non-mandatory rules. For existing companies the (remaining) mandatory provisions of the NBCC will apply as from 1 January 2020. They will need to align their articles of association with the new Code by 1 January 2024 at the latest.*

*Provided that the NBCC has been published in the Belgian Official Gazette, an opt-in exists prior to 1 January 2020 whereby existing companies can amend their articles of association on a voluntary basis. In such case, full compliance with the NBCC is required.*

*For corporate governance reasons and in order to avoid any uncertainty as to which rules will exactly apply to the company as of 1 January 2020, it is proposed to anticipate and to proceed to an opt-in by amending the Articles of Association in line with the NBCC.*

*Some further information on the most important amendments is set forth below:*

- *The NBCC introduces a two-tier governance system with two governance bodies whose respective powers are assigned by law. With regard to Belgian (mixed) financial holdings the rules of the two-tier system will apply, insofar the financial supervisory laws don't derogate. This entails for KBC Group NV that:*
  - o *it will keep an Executive Committee and Board of Directors with mandatorily minimum 3 common members;*
  - o *the respective decision powers of the Board of Directors and the Executive Committee will stay the same but will be directly assigned by law (the NBCC), meaning that the Board of Directors will not have to delegate the relevant powers to the Executive Committee anymore;*
  - o *the Executive Committee gains a general representation power. The Board of Directors will still be able to represent the Company with regard to its own powers.*
- o *As regards the bondholders, the NBCC has limited the right to attend the General Meeting (with advisory voting capacity) to holders of convertible bonds. However, if the terms and conditions of currently outstanding bond issues explicitly grant the right to ordinary bondholders to attend the General Shareholders' Meeting, the Company will respect these rights.*
- *Some amendments adopt the Articles of Association to the new terminology, introduced by the NBCC. Please note that in certain cases only the Dutch terminology changes. The amendments to the Articles 12, 15, 20 and 25 of the Articles of Association included in this motion 1 are mandatory to bring these Articles into line with the NBCC and are therefore part of the opt-in. On the other hand the other proposed amendments to the same Articles included in the motions mentioned below are not mandatory.*

2. Motion to delete Article 10bis, paragraph 2 of the Articles of Association.

**Comment by the Board of Directors:** *This paragraph is outdated.*

3. Motion to replace in Article 12 of the Articles of Association the phrase 'at least three directors -who may or may not be shareholders-' by '*at least seven directors*'

**Comment by the Board of Directors:** *The Board of Directors has to comprise at least seven members, as at least three of them have to be members of the Executive Committee and the majority of the members has to be non-executive.*

4. Motion to delete Article 15, paragraph 4 of the Articles of Association.

5. Motion to replace the first sentence of Article 20, paragraph 2 of the Articles of Association by the following text:

*'The Executive Committee shall comprise a maximum of ten members, appointed by the Board of Directors.'*

6. Motion to add the following new paragraph to Article 25 of the Articles of Association:  
*'When the terms and conditions of Article 234, 235 or 236 of the Banking Act of 25 April 2014 are met with regard to taking recovery measures, and a capital increase is necessary to avoid a resolution procedure being initiated under the relevant conditions set out in Article 454 of the aforementioned Act, 10 to 15 days' notice must be given prior to the General Meeting of Shareholders on taking a decision on that capital increase. In that case, shareholders are not entitled to put other items on the agenda of that General Meeting of Shareholders and the agenda may not be revised.'*

**Comment by the Board of Directors:** *According to the NBCC the notice period for the General Meeting can be shortened to 15 to 10 days when -in case of financial distress- the meeting has to decide upon a capital increase which is necessary to avoid a resolution procedure. As in such case it is in the interest of the Company and its stakeholders that the General Meeting can be convened at short notice, certain shareholders' rights which could cause a delay, are set aside.*

7. Motion to resolve that the amendment to the Articles of Association according to the resolutions passed by this Extraordinary General Meeting of Shareholders will take effect on the date of publication of this amendment to the Articles of Association in the Appendices to the Belgian Official Gazette, but at the earliest on 1 June 2019, in accordance with the law introducing the Code on Companies and Associations.

**Comment by the Board of Directors:** *As soon as the amendment to the Articles of Association has taken effect, the new consolidated text of the Articles of Association will be published on the website of the company (<https://www.kbc.com>).*

8. Motion to grant a power of attorney to draw up and sign the consolidated text of the Articles of Association of the company, and to file them with the registry of the court of relevant jurisdiction.
9. Motion to grant authorisation for implementation of the motions passed.
10. Motion to grant a power of attorney to effect the requisite formalities with the Crossroads Bank for Enterprises and the tax authorities.