



**KBC Group**  
**Naamloze Vennootschap (company with limited liability)**  
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**Information to shareholders of KBC Group NV pursuant to Article 7:129, third paragraph, 4° of the Companies and Associations Code**

In accordance with Article 7:129, third paragraph, 4° of the Companies and Associations Code, shareholders of KBC Group NV can find here, for the items on the agenda for its Annual General Meeting to be held on 6 May 2021, 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 2020.

*Comment by the Board of Directors: In compliance with Article 3:32 of the Companies and Associations 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 3:5 and 3:6 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 2020.

*Comment by the Board of Directors: The statutory auditor's report on the company annual accounts has been drawn up according to Articles 3:74 and 3:75 of the Companies and Associations Code. The statutory auditor's report on the consolidated annual accounts has been drawn up according to Article 3:80 of the Companies and Associations Code.*

3. Review of the consolidated annual accounts of KBC Group NV for the financial year ending on 31 December 2020.

*Comment by the Board of Directors: The consolidated annual accounts have been drawn up according to Article 3:23 et seq of the Companies and Associations 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 2020.

5. Resolutions with respect to the profit distribution by KBC Group NV for the financial year ending on 31 December 2020:
  - a) First resolution to allocate 10 328 813.08 euros as categorized profit premium as stipulated in the collective labour agreement of 22 November 2019 with regard to the categorized profit premium concerning financial year 2020.
  - b) Second resolution to allocate 183 345 605.52 euros as a gross dividend, i.e. a gross dividend per share of 0.44 euro.
6. Resolution to approve the remuneration report of KBC Group NV for the financial year ending on 31 December 2020, 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 approve the remuneration policy of KBC Group NV which will be available at [www.kbc.com](http://www.kbc.com).
8. Resolution to grant discharge to the directors of KBC Group NV for the performance of their duties during financial year 2020.
9. Resolution to grant discharge to the statutory auditor of KBC Group NV for the performance of his duties during financial year 2020.
10. 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 2020, by increasing it to 254 709 euros.

***Comment by the Board of Directors:** On 2 May 2019 the General Meeting decided 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. The General meeting is requested to increase the auditor's fee for the financial year 2020 to 254 709 euros, due to changes in the scope of the audit work.*

## 11. Appointments

- a. Resolution to appoint Luc Popelier, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2025, in replacement of Mr Hendrik Scheerlinck, whose mandate expires at the close of the Annual General Meeting because he reached the statutory age limit.
- b. Resolution to re-appoint Mrs. Katelijn Callewaert, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2025.
- c. Resolution to re-appoint Mr. Philippe Vlerick, as director for a period of four years, i.e. until the close of the Annual General Meeting of 2025.

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 Thursday, April 1, 2021.

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

## 12. Round of questions

### **Agenda for the Annual General Meeting**

#### Amendment of the Articles of Association of KBC Group NV

##### **General comment by the Board of Directors:**

*An important part of the proposals to amend the articles of association are of a rather technical nature prompted by recent legislation, or redraft/remove obsolete or redundant provisions with no changes of a substantive nature.*

1. Review of the Report of the Board of Directors, drawn up in accordance with Article 7:154 of the Code on Companies and Associations with respect to the proposed modification of the object of the company.

##### **Comment by the Board of Directors:**

*In this report the Board of Directors justifies the modification of the object of the company as proposed in Motion 2.*

2. Motion to replace Article 2, paragraphs 1 to 4 of the Articles of Association by the following text:

*'The company has as its object the direct or indirect ownership and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.*

*The company also has as object to provide services to third parties, either for its own account or for the account of others, including to companies in which the company has an interest -either directly or indirectly- and to (potential) clients of those companies.*

*The object of the company is also to acquire in the broadest sense of the word (including by means of purchase, hire and lease), to maintain and to operate resources, and to make these resources available in the broadest sense of the word (including through letting and granting rights of use) to the beneficiaries referred to in the second paragraph.*

*In addition, the company may function as an intellectual property company responsible for, among other things, the development, acquisition, management, protection and maintenance of intellectual property rights, as well as for making these rights available, granting rights of use in respect of these rights and/or transferring these rights.'*

3. Motion to delete the last sentence of Article 3, paragraph 1 of the Articles of Association regarding the transfer of the registered office.

4. Motion to delete Article 4, paragraph 2 of the Articles of Association regarding the conditions for voluntary dissolution of the company.
5. Motion to replace Article 8, paragraph 3 of the Articles of Association by the following text:

*'In the event a share premium is paid on a capital increase decided upon by the Board of Directors or the General Meeting of Shareholders, or on the conversion of bonds or the exercise of subscription rights, or if an issue price is posted to the accounts as a share premium on the issue of subscription rights decided upon by the Board of Directors or the General Meeting of Shareholders, this will be earmarked for appropriation to the share premium account and recorded as own funds on the liabilities side of the balance sheet.'*

6. Motion to replace Article 10 of the Articles of Association by the following text:

*'The company recognises only one owner per share or sub-share for the exercise of voting rights at the General Meeting of Shareholders and of all rights attaching to the shares or sub-shares.'*

*Persons who, for one reason or another, have a joint right in rem to a share, sub-share or other security, shall arrange to be represented by one and the same person. This representative must either be one of the persons co-entitled or must meet the requirements of Article 28 of the Articles of Association.*

*Until such time as this provision has been met, the company shall be entitled to suspend the exercise of the rights attaching to these shares, sub-shares or other securities.*

*In the event of usufruct, the usufructuary shall exercise all the rights attaching to the shares, sub-shares or other securities, unless stipulated otherwise in a will or an agreement of which the company has been notified in writing.'*

7. Motion to replace Article 12, paragraphs 2 and 3 of the Articles of Association by the following text:

*'The Board of Directors shall comprise at least seven directors 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 law. The General Meeting of Shareholders may at any time remove a director from office.'*

*The term of office of directors amounts to four years at the most and expires after the annual Ordinary General Meeting of Shareholders.'*

**Comment by the Board of Directors:**

*The statutory maximum term of office for directors is six years. We propose to reduce this term in the articles of association to four years, in order to bring it in line with the Corporate Governance Charter of the company.*

8. Motion to replace Article 13 of the Articles of Association by the following text:

*'If a director's seat becomes vacant, the remaining directors shall have the right to co-opt a new director. The next General Meeting of Shareholders must confirm the office of the*

*co-opted director. Upon confirmation, the co-opted director shall complete the term of office of his/her predecessor, unless the General Meeting of Shareholders opts for a different term of office. In the absence of confirmation, the office of the co-opted director shall end following the General Meeting of Shareholders.'*

9. Motion to add to Article 15, last paragraph of the Articles of Association the following sentence:

*'These arrangements are laid down in the Corporate Governance Charter, that can be consulted on the company's website.'*

10. Motion to replace the last sentence of Article 16, paragraph 1 of the Articles of Association by the following sentence:

*'Directors who, in accordance with the law, may not participate in the deliberations and the vote are included to determine whether the attendance quorum has been reached but shall not be counted (either in the numerator or in the denominator) when determining the voting majority.'*

11. Motion to add the following sentence to Article 16, last paragraph of the Articles of Association:

*'In that case, Article 15, paragraphs 2 to 4 inclusive, Article 16, paragraphs 1 to 3 inclusive and Article 17, paragraphs 1 to 3 inclusive of the Articles of Association shall not apply.'*

12. Motion to replace Article 20, paragraphs 2 to 4 of the Articles of Association by the following text:

*'The Executive Committee shall comprise a maximum of ten members. Together, these members form a collegiate body. Members of the Executive Committee who, pursuant to the law, may not participate in the deliberations and the vote, are included to determine whether the attendance quorum has been reached but shall not be counted (either in the numerator or in the denominator) when determining the voting majority.'*

*If all or all but one of the members of the Executive Committee have a direct or indirect interest of a financial nature that is incompatible with a decision or transaction that falls within the competence of the Executive Committee, the members of the Executive Committee shall inform the Board of Directors which shall pass the resolution according to the procedure prescribed by law.*

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

*The Executive Committee can also make all arrangements to ensure it functions effectively.*

*The president and the members of the Executive Committee shall be appointed and removed by the Board of Directors, in accordance with the relevant legal and regulatory provisions.'*

13. Motion to replace the first paragraph of Article 22 of the Articles of Association by the following text:

*'The statutory audit of the financial statements shall be performed by one or more statutory auditors appointed and remunerated in accordance with the prevailing statutory rules.'*

and motion to delete the last paragraph of the same Article with regard to the representation of the statutory auditors.

14. Motion to add the following sentence to the first subsection of Article 27, paragraph 1 of the Articles of Association:

*'In the cases permitted by law, the Board of Directors may set a different record date.'*

**Comment by the Board of Directors:**

*According to an amendment of the Companies and Associations Code the record date can be shortened to three days before the General Shareholders' Meeting in case recovery measures should have to be taken in respect of the company, as in such circumstances also the notice period can be shortened (see Article 25, paragraph 2 of the Articles of Association).*

15. Motion to complete the first sentence of Article 27, paragraph 2 of the Articles of Association as follows:

*'Every shareholder and every holder of convertible bonds, subscription rights or certificates issued in co-operation with the company, who wishes to attend the General Meeting of Shareholders, must inform the company or a person so designated by the company by no later than the sixth day before the day of the General Meeting of Shareholders of his/her intention to attend and also indicate the number of securities with which he/she wishes to participate and the manner in which he/she intends to attend.'*

**Comment by the Board of Directors:**

*As from December 2020 the Board of Directors can decide to allow shareholders to attend the General Shareholders' Meeting remotely, through an electronic means of communication. In this case it is important for the company to know the manner in which the shareholders will attend (physically, possibly by proxy, or remotely).*

*As the case may be, this possibility to attend the General Shareholders' Meeting remotely will be granted via the convening notice.*

16. Motion to insert a new Article 28bis in the Articles of Association, which reads as follows:

*'If the convening notice expressly so provides, each shareholder has the right to cast votes remotely prior to the General Meeting of Shareholders by correspondence, through the company website or in any other way indicated in the notice.'*

*If this right is granted, the convening notice shall contain a description of the procedures to be followed by the shareholder in order to vote remotely. The convening notice, or information on the company website to which the convening notice refers, shall specify the way in which the company may verify the capacity and identity of the shareholder.*

*To calculate the rules on attendance quorum and voting majority only the remote votes shall be taken into account which are cast by shareholders meeting the formalities to be*

admitted to the General Meeting of Shareholders as referred to in Article 27 of these Articles of Association.

A shareholder who has cast his votes remotely may no longer choose any other way of participation in the General Meeting of Shareholders for the number of the thus cast votes.'

**Comment by the Board of Directors:**

At present the shareholders can express their vote 'in advance' by giving a proxy with voting instructions to representatives of the company (or a third party) to vote on their behalf during the General Shareholders' Meeting.

It is proposed that the Board of Directors may in the future also grant the right to the shareholders to cast their votes remotely prior to the General Meeting by correspondence or through the company website without the intervention of a proxy. As the case may be, this right will be granted via the convening notice.

17. Motion to add to Article 30 the following sentence:

*'In case of remote participation in the General Meeting of Shareholders, the login to the electronic system set up by or on behalf of the company will count as a signature on the attendance roster.'*

**Comment by the Board of Directors:**

See comment sub motion 15 regarding the possibility for the Board of Directors to allow shareholders to attend the General Shareholders' Meeting remotely.

18. Motion to delete Article 32, paragraph 3 of the Articles of Association with respect to the possibility to ask for a secret ballot.

19. Motion to complete the first sentence of Article 35 of the Articles of Association as follows:

*'The minutes of the General Meetings of Shareholders shall be signed by the officers of the meeting and by the shareholders who so request.'*

20. Motion to delete in Title V the words 'inventory' and 'reserves' and to delete Article 36, paragraphs 2 to 4 of the Articles of Association regarding inventory taking and preparing the financial statements and the annual report by the Board of Directors.

21. Motion to replace Article 41 of the Articles of Association by the following text:

*'Every shareholder who is domiciled abroad shall be obliged to elect domicile in Belgium for the purpose of all dealings with the company.'*

*Each member of the Board of Directors and each member of the Executive Committee may elect domicile at the registered office of the company for all matters relating to the performance of their office.*

*Members of the Board of Directors, members of the Executive Committee, statutory auditors and liquidators who are domiciled abroad shall be deemed to have elected domicile at the registered office of the company, where all notifications, summonses and writs may legally be served upon them, and all notices or letters may be sent to them.'*



22. Motion to cancel the authorisation to dispose of own shares granted by the General Shareholders' Meeting of 3 May 2012, without prejudice to the general powers of the Board of Directors of the company and of those of its subsidiaries to transfer the company's own shares in accordance with statutory provisions.

**Comment by the Board of Directors:**

*The Companies and Associations Code no longer requires an authorisation to sell own shares, as long as the equal treatment of the shareholders is ensured (e.g. by selling on the stock exchange). Therefore the existing authorisation granted by the General Shareholders' Meeting of 3 May 2012 to dispose of own shares of the company is no longer relevant.*

23. 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 it with the registry of the court of relevant jurisdiction
24. Motion to grant authorisation for implementation of the motions passed.
- 25 . Motion to grant a power of attorney to effect the requisite formalities with the Crossroads Bank for Enterprises and the tax authorities.