

This is how we do things at KBC.

The KBC Group's code of conduct



This is how we do things at KBC.

The code of conduct as a roadmap for our daily activities.



Dear Colleague,

PEARL heralded the beginning of a new era for KBC. By always putting our clients first in our new corporate culture, we're preparing ourselves to be able to respond more quickly to changing market conditions and thus insuring the future of our organisation.

In this regard, the PEARL values are our guide: if we take initiative and responsibility and are responsive, respectful and results-driven, KBC will automatically become 'the reference' for both our current and future clients.

KBC also wants to be 'the reference' for you as an employee. We seek to create an open corporate culture that gives you every opportunity to develop. Because the real driving force behind our organisation is you and your colleagues. Your know-how, drive and commitment – combined with the PEARL values of empowerment and accountability – are our catalysts for success.

But these catalysts only work within the strict ethical framework laid out by the KBC Code of Conduct and if we all take responsibility for pointing things out when we see them go wrong.

You may ask yourself: 'Isn't this code of conduct just another document full of strict rules that need to be followed?' We don't see it that way. The revised code of conduct shows what we stand for as KBC employees and clearly states what things we are not willing or able to do. It could be because they are prohibited by law, but mainly it's because they don't match with our values.

In the course of your daily work, it's inevitable that you will – sooner or later – find yourself in a situation in which it isn't easy to make the right decision. After all, things aren't always black or white.

Even when viewed from an ethical perspective, there are always going to be a lot of grey areas. However, like a roadmap, the KBC Code of Conduct can help guide you in making the right decisions.

Let's take our company and our reputation to the next level. Let's be 'the reference' in terms of ethics, too.

And most importantly, let's do it together.

Johan Thijs

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Introduction

This code of conduct reflects KBC's fundamental values and expectations regarding the manner in which we, as professionals, should conduct ourselves.

Fundamentally, we will:

- **... put the client's interests first;**
- **... be honest in our dealings and correct in our relationships;**
- **... exhibit responsibility and discretion in our actions;**
- **... respect the dignity of our colleagues;**
- **... respect the law;**
- **... exhibit PEARL values and ethical behaviour.**

These values apply equally to all staff in our group. Senior staff has a particular responsibility to provide leadership by setting an example and maintaining an environment in which honesty and integrity are fundamental values.

At no time should any employee be asked to do anything which would violate this code.

Any (suspected) violation of a law, regulation or ethical standard must be reported to the appropriate level of authority within our group, or – depending on the situation – make use of the whistleblower's channel. When appropriate, that authority will report to the relevant statutory authority.

Staff members have to know and recognise that certain specialised independent investigative units (e.g., Compliance Department, Inspection, Audit, Security, etc.) are authorised to perform investigations, inspections and controls, including the interviewing of staff. Staff are required to co-operate fully in such controls and inspections and collaborate in their execution, development and fine-tuning.

This code of conduct is extremely important. We therefore urge you to read it carefully.



1. Code of conduct for KBC Group

Foreword

This code of conduct stems directly from KBC's general mission statement.

'KBC aims to be an organisation that:

- listens to its clients and anticipates their needs by providing excellent products and services;
- fulfils the potential of its staff;
- contributes to the local community.'

An organisation that places people at its centre, bases itself on a number of values. At KBC, those values are the touchstone for how we think and act each day. These values are embedded in the acronym PEARL. The KBC **PEARL** values stand for

- P**erformance
- E**mpowerment
- A**ccountability
- R**esponsiveness
- L**ocal Embeddedness

values that all staff members are expected to live and aim for.

Central to these values is the way in which we behave: we are **respectful, responsive and result-driven**, and we expect that this behaviour will not only help us to bolster client's trust in the company, but also to be the reference in banking and insurance. Therefore, all principles outlined in this code are linked to these values and behaviour.

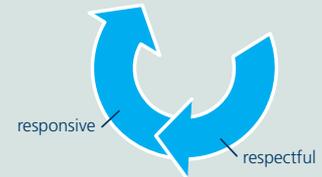
Respectful

We show respect for our internal and external clients. Showing respect means treating people as being equal, being transparent, appreciating people for what they do and who they are, trusting people, but especially, it is based on individual dignity. Respect is not only requested, it needs to also be given.



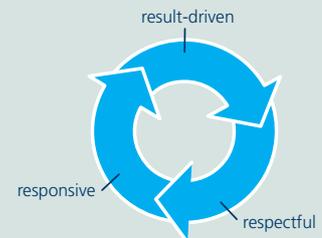
Responsive

We listen to our clients, staff and our organisational counterparty, understand their needs, and do our best to fulfil them. 'Responsive' means anticipating and acting readily and sympathetically on suggestions, influences, appeals or efforts. Responsive also means interest, acceptance, broad-mindedness, impartiality, observance, open-mindedness, receptiveness, tolerance and understanding. It implies a feeling of "we are in this together", a cooperative behaviour.



Results driven

We are driven to achieve results for our clients, our staff, and our organisation. We deliver what we promise! A results-driven person or organisation concentrates on meeting objectives and on delivering in line with the required time, cost and quality. Procedures have to be respected, but are not an excuse for poor performance. Cooperation strengthens the ability to perform. A results-driven person or organisation sets specific, measurable goals for improvement and matches resources, tools and action plans to the requirements for accomplishing success.



Scope of the KBC code of conduct

This KBC code of conduct is applicable to all staff of the KBC Group, including all companies, associations and entities that are members of our group in the broadest sense.

This code of conduct is a **minimum set of guidelines** for KBC to which all staff members are required to adhere. The code also reflects the general business principles of the local financial industry.

KBC has a **right to monitor** compliance with the code of conduct and regularly evaluates the individual conduct of staff against the group values. Failure to comply with any of the standards as set out in this code of conduct may lead – after an unbiased assessment – to **disciplinary action** in accordance with local applicable regulations.

This code of conduct may be supported by other more specialised codes for specific target groups (e.g., dealing room, procurement, etc.).

2. **P** – Performance

“Our staff is dedicated to delivering outstanding results on all our assignments. We do not settle for mediocrity. We are client focused. We continuously improve the quality of our products and services to exceed the expectations of our clients by delivering impeccable results and service.”

Working hours

KBC’s long-term success is determined chiefly by staff demonstrating a high level of efficiency in their work. KBC therefore creates the conditions for its staff to function efficiently during working hours.

Company time must be used effectively and only activities that are of benefit to KBC may be conducted. These activities are defined by the place of employment and internal regulations.

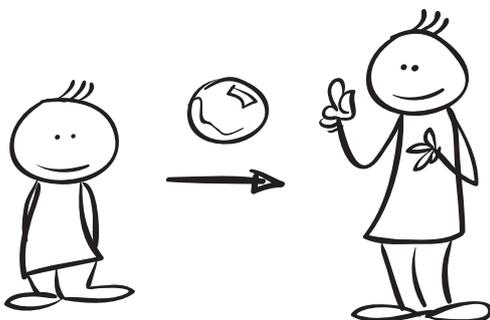


Narcotics or addictive substances

All acts linked with narcotics or addictive substances during working hours could lead to KBC suffering a significant loss of reputation or financial damage. It is therefore required that staff members do not work under the influence of drugs or alcohol.

3. **E** – Empowerment

“Our leadership is defined by embracing and unlocking the creativity of each individual employee and by encouraging people to cooperate. Our professional staff members are given sufficient flexibility in implementing policy so as to guarantee our clients the highest degree of excellence in every contact.”



Acting as an entrepreneur

In order to be successful in its business activities, KBC strives to create and support a strong entrepreneurial spirit. Moreover, KBC promotes and appreciates creativity and initiative.

In this respect, staff must base all their actions on sound business acumen, and act as if they themselves were the owner of the group or the entity. Acting in this way will maximise the long-term financial benefits for KBC and its shareholders.

Initiative

In order for KBC to be successful in a competitive marketplace, highly efficient and effective processes need to be in place. Consequently, KBC takes a proactive approach towards – for example – suggestions for improvements to existing work processes. New ideas can promote change and innovation.

All KBC staff may express their opinions openly and the opinions of others are to be considered.

Observance of delegated powers and mandates representing KBC

In business relationships, KBC is always represented by a particular member of staff. In such relationships, members of staff communicate directly with the client and participate in building long-term business relationships.

Consequently, all signature, decision-making requirements and trading limits must be observed and the necessary authorisation must be obtained. The KBC Group may only be entered into commitments to the extent that the requisite authorisation has been granted.

When a mandate in another company or legal entity is taken up at the request of KBC, all relevant regulations and guidelines including those regarding remuneration for the mandate (which is as a rule unpaid) must be complied with.

Dress code

A professional attitude is one of the pillars of client trust and satisfaction and thus also of KBC's business success. It also encompasses a dress code.

KBC requires that its staff are dressed neatly in smart business clothing while at work or on company business. At meetings with external parties or where a situation requires, more formal clothing is desired. From time to time and in accordance with local practices, KBC may host a casual dress day. In that case, the revised dress code should be adhered to.

Staff members who have direct contact with clients endorse a neutral stance with regard to the expression of their political, philosophical or religious beliefs in the workplace.

4. **A** – Accountability

“Staff members accept the individual responsibility of our assignment. We disclose our results in a transparent manner. We are dedicated to and accountable for serving our clients’ best interest, providing them with value relative to cost and to earn their trust and confidence by operating in an ethical and financially sound manner.”

Compliance with rules

KBC can only comply with the rules governing its activities if its staff members observe the rules governing their work.

KBC therefore expects all generally binding legal and internal regulations relating to work to be observed. KBC informs its staff about the internal regulations currently in force and makes it possible for them to consult these and other regulations on the intranet, for example.

KBC requires that staff comply with legal and internal regulations, like this code of conduct, and has a right to monitor that compliance.

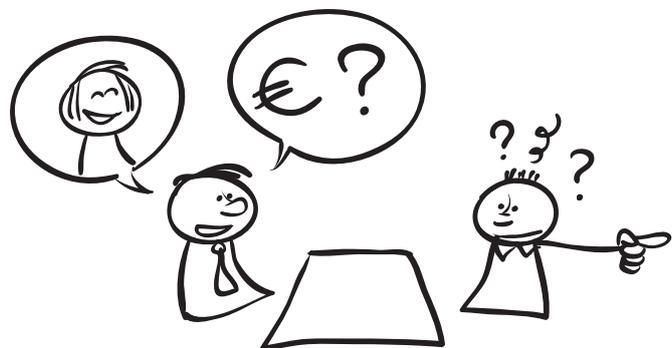
Documented compliance procedures assist KBC in fulfilling the responsibilities outlined in this code and ensure that the principles expressed in the code are adhered to in its day-to-day operations. The appropriate compliance programmes include internal controls and self-assessment tools.

Conflicts of interest

KBC expects its staff to differentiate clearly between their professional and private life. Under all circumstances, staff must maintain their independence and avoid any conflict(s) of interest.

Consequently, staff may not carry out any deals or transactions in which they are personally – whether directly or indirectly – involved and that might result in a conflict of interest.

Any intervention, pressure, influence, wish or request that could jeopardise neutrality in decision-making with regard to issues involving clients or business partners is to be avoided. Clients may not, for example, be given preferential rates or any other benefits in contradiction to the applicable arrangements, terms and conditions and internal rules. Furthermore, neutrality may not be jeopardised by personal involvement with clients, suppliers or business partners.



Protection of KBC property

KBC provides multiple means of communication to its staff to operate efficiently (like PCs, telephones, internet and data access, etc.). These means of communication must be used within the professional context for which they are intended and in compliance with the 'KBC Group Code of Conduct for the Use of Means of Communication.'

Except in the event that internal regulations grant exceptions, KBC property may be used only for work purposes.

Every member of staff is also required to keep his/her workplace and its surroundings in proper order.

Equal treatment/Prohibition of discrimination

KBC prohibits all discrimination and unequal treatment, regardless of whether it is:

- direct or indirect;
- related to staff or clients;
- based on race, sex, marital status, sexual orientation, age, family status, disability, religion;
- with regard to insurance, access to employment, conditions of employment, training, promotion or classification of positions.

Gifts/bribes

KBC attaches great importance to the avoidance of conflicts of interest; to the transparency of relationships between staff, clients and third parties and, in particular, to the integrity of its staff.

Therefore, the 'KBC Anti-Corruption Policy,' the 'KBC Anti-Corruption Programme' and the 'KBC Policy on Gifts, Entertainment, Donations and Sponsoring' reject all forms of bribery and corruption, to which KBC applies a zero-tolerance policy.

Because of their position, members of staff of an entity in the financial sector may find themselves in situations where it is customary to offer gifts or a favour. In such circumstances the applicable guidelines should be respected in compliance with the 'KBC Anti-Corruption Policy' and the local 'KBC Policy on Gifts, Entertainment, Donations and Sponsoring.'

Private business activities outside working hours

KBC respects its staff's private activities outside working hours. However certain activities could result in a conflict of interest.

Consequently, any business activities (including mandates) conducted outside the employment relationship must be in accordance with generally binding legal regulations, the employment contract and the internal rules of KBC. Furthermore, business activities must be avoided that could or would lead to conflicts of interest between personal interests and the interests of KBC.

It is not allowed to express political or religious convictions on the work floor with the intention of influencing other people.

Management of personal finances

Working for a financial services organisation places additional responsibilities on people when managing their personal finances. Good management of personal finances is one of the best ways to guarantee independence and integrity. Staff is required to ensure that their personal finances are managed with the requisite prudence and in accordance with any agreed terms and conditions. On no account may financial independence be compromised by taking out loans with clients, suppliers or other business relations.

Should an employee's financial situation become untenable for whatever reason, he/she is advised to contact their HR department. KBC has the experience and means to offer help or find a solution and it will endeavour to support staff in the most appropriate manner.

Money laundering and terrorist financing

Money laundering and terrorist financing are crimes, and KBC has a statutory duty to combat these practices. The preventive measures put in place by KBC are designed to protect its good reputation in this respect.

Client data must therefore be handled consistently and evaluated properly in order to protect the group and/or its staff from being targeted with regard to money laundering and terrorist financing. If in doubt, members of staff are required to contact the compliance department.

Tax laws and regulations

Observance of tax laws and regulations is of vital importance to KBC's reputation. KBC is a responsible taxpayer, basing itself on professionally executed compliance with tax laws, legitimate tax planning and supported by valid business objectives.

Consequently, clients may never be given advice of a nature that might prompt them to violate tax laws or regulations. Mechanisms may not be set up that are contrary to standard practice and that clearly aim to promote or result in tax fraud by clients. Additionally, no assistance may be provided in any operations of which the purpose is to procure an unlawful tax benefit for the client.

The relevant tax requirements must be taken into account when launching new products on the market or penetrating new markets. If in doubt, members of staff are required to contact the tax department.



Ethics and fraud

In a constantly changing environment and due to internal and external pressure, mistakes may be made or rules and guidelines breached. It is important to communicate openly regarding possible mistakes so that worse mistakes can be prevented and other colleagues can learn from it.

In accordance with the KBC Ethics & Fraud Policy, we apply a zero-tolerance policy regarding fraud.

All staff members are required to:

- act honestly and with integrity at all times;
- know and comply with all applicable laws, regulations, internal policies and good business practices applicable to their business and work;
- safeguard the resources for which they are responsible;
- co-operate with and assist, to the fullest extent possible, investigating authorities.

Employees who suspect fraudulent activity should inform their line manager immediately or follow the procedure as set out in the KBC Group's 'Policy for the Protection of Whistleblowers', if relevant. Subsequently, a report of this action should be submitted to the compliance department via the local means of contact or at the group level through the mailbox reporting@kbc.be.

Under no circumstances should a member of staff attempt to personally conduct any investigations, interviews/interrogations of 'suspected' individuals or contact them personally unless instructed otherwise by the compliance department or another independent investigative unit.

In their role as the first line of defence, the senior management of the business units is responsible for ensuring that all activities are conducted in a manner:

- that is compliant with the KBC group's Ethics & Fraud Policy and the corresponding fraud risk management frameworks;
- that is compliant with operational risk requirements and the established control environment (e.g., by applying zero-tolerance policies);
- that conforms to all applicable legal, tax, accounting and regulatory provisions, as well as to the KBC Group's and the local entity's internal policies, procedural limits and guidelines;
- that allows a proper review to be carried out by local and other appropriate legal, tax, accounting and regulatory authorities.

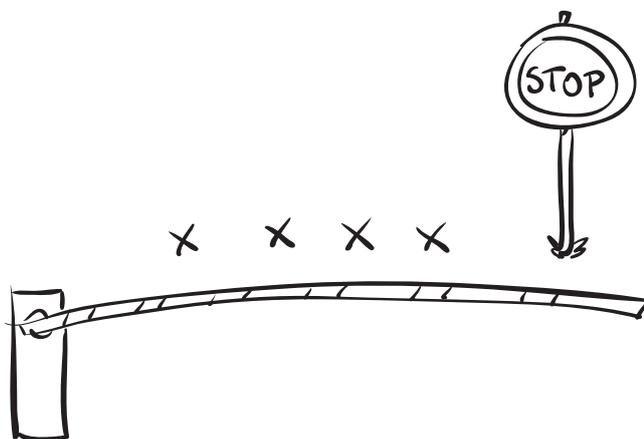
Specifically with regard to fraud, the (senior) management of KBC Group are responsible for:

- knowing and being familiar with the kinds of fraud that might occur in their relevant business areas;
- remaining alert to and vigilant of any indicators of fraudulent activity;
- putting a high-performing control structure that is supported by clearly communicated procedures in place to combat fraud and ensuring that this control structure is effective and operational at all times;
- acting swiftly to report any suspected or detected fraudulent activity (to the Fraud Risk Management Officer, Head of Compliance, CRO, or through the contacts named in the KBC Group's Whistleblower Policy).

KBC expects its staff to understand the need for internal and external checks and to try not to circumvent them. To this end, a minimum number of consecutive holidays (14 consecutive 'calendar' days or 10 consecutive 'working' days) must be taken each year. During this annual leave period, staff must not log onto KBC transaction systems or perform other prohibited activities, as further detailed in the internal guidelines.

Competition rules

All entities of the KBC Group are bound by strict rules designed to ensure free competition on the market (e.g., prohibition of unfair competition, price-fixing and unfair trading practices such as misleading or destructive advertising). As a result, competition rules must be observed in all areas of work, and conduct must be such that KBC as a group is not involved in any breach of them in accordance with the KBC competition compliance programme.



Data protection and confidential information

Our relationship with clients is based on trust and confidentiality. The KBC's success is in part determined by the protection of confidential client information, and decisions should be made based on complete and correct data.

All information relating to KBC's clients or business partners that staff members may come into contact with in performing their normal job duties falls under the professional code of discretion. It must therefore be treated as confidential information. All internal information concerning clients and business partners must be protected from unauthorised usage, disclosure, alteration or destruction. Such information may be used only for the (professional) purpose for which it has been collected. The protection of confidential information applies to all data carriers, regardless of their form.

At no time may any false or biased data be entered into the information systems of KBC or information be withheld that is required for decision-making purposes.

Unauthorised persons are never allowed to use the authorisations or technical means given to staff to access KBC company premises or information systems.

In all matters, the legal and internal regulations relating to the confidentiality, handling and processing of personal data must be observed.

As an employer, KBC protects all staff data in compliance with the applicable legal and regulatory provisions.

The protection of investors and capital markets

In all financial markets, market abuse – i.e., the abuse of insider information and market manipulation (price manipulation, spreading of false information) – is seen as one of the most serious offences against trading ethics. For this reason, trading whilst in possession of material that is not available to the public – also known as ‘inside’ information – or disclosing such information to others so that they may act on it (‘tipping’) is strictly prohibited.

Inside information is information:

- of a precise nature;
- relating directly or indirectly to one or more issuer of financial instruments or to one or more financial instruments;
- which has not been made public; and
- which – if it were made public – would likely have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments.

For the same reason, no activities are to be carried out that distort the market price of negotiable financial instruments or that increase their trading volume artificially with the intention of misleading market participants.

All confidential internal information relating to KBC, its clients or business partners that staff members have become privy to in the course of their work must be protected. It may not be used for personal benefit or the benefit of others. All applicable rules in this regard must be respected.

Examples of such internal information include (but are not limited to) changes in protected earnings, write-offs or upward adjustments in previously reported earnings, dividend changes, changes to key managerial personnel, tender offer plans (whether acquirer or target), significant acquisitions or sales, significant unreported changes of stock ownership, significant information relating to asset or corporate liquidation, re-financing or the issuance of securities (debt or equity).

Persons who violate the securities laws by trading or tipping on inside information face both civil and criminal liability.

5. **R** – Responsiveness

“Staff members anticipate and act quickly with regard to the suggestions, influences, appeals and efforts of our management, employees and clients.”

PEARL values and ethical behaviour

The proper and ethical behaviour of each member of staff has an impact on the reputation of KBC and the local entity. It contributes to the corporate culture and influences the personal motivation and performance of all staff. PEARL values and their corresponding behaviour are expected of all staff at all times.

In accordance with the law and the internal regulations regarding prevention and intervention, staff members are strictly prohibited from:

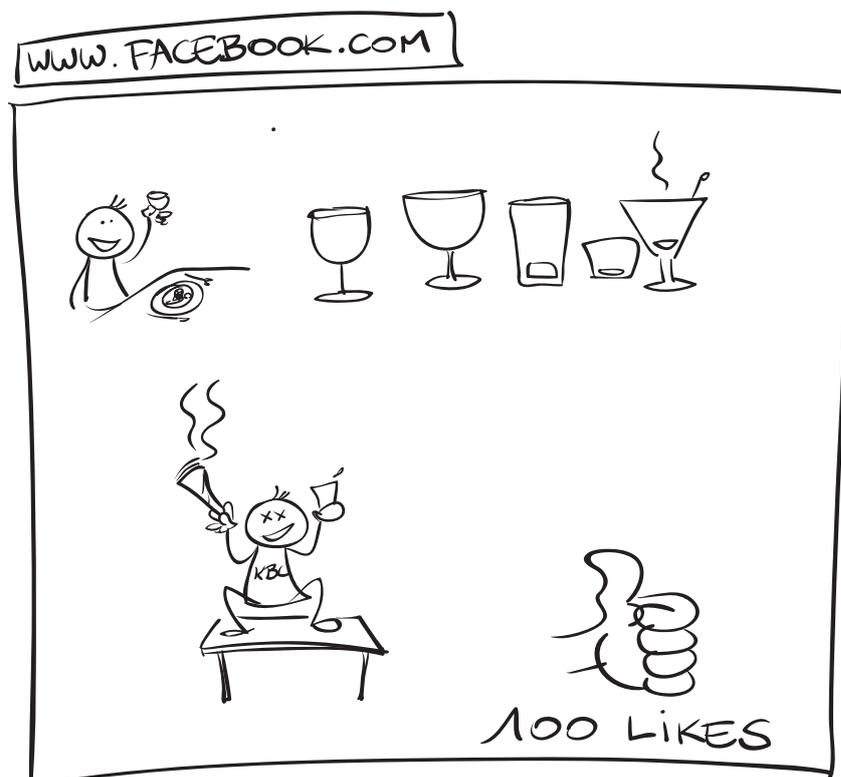
- exerting any inappropriate pressure or influence;
- making hurtful remarks;
- acting in a way that undermines the integrity or dignity of other colleagues;
- conspiring against colleagues;
- bullying, harassing or sexually harassing colleagues.

Staff may also never abuse their position in dealings with colleagues.

KBC's good reputation

The public's perception of KBC is partly determined by the behaviour of its staff. By behaving professionally on all occasions, KBC's good reputation will be maintained.

Staff may not abuse either KBC's good name or their position within the entity to advance their private interests or opinions or the interests of third parties.



KBC client focus

Because KBC consciously seeks to build long-term relationships with its clients, its approach is professional, uses the necessary know-how and skills and is characterised by openness and respect. Every member of staff is expected to display these KBC values.

KBC aims to treat its clients fairly in all aspects of its relationships with them. For that reason, clients are provided with comprehensible and accurate information based on facts, including appropriate information about the conditions and risks associated with commitments being entered into.

KBC always ensures that the conditions and actions applying to the client relationship are transparent and comprehensible. At the same time, the client's knowledge and their ability to understand what is being referred to has to be taken into account. Only services and products that correspond to their situation and requirements and that simultaneously comply with the group's interests are offered.

Under no circumstances will services, advice, products or co-operation be offered that might lead to a breach or circumvention of any regulatory, tax or other obligations.

Team spirit

The success of KBC as a whole is determined to a significant extent by the quality and level of communication and co-operation among staff.

KBC therefore expects staff to adopt a friendly and open attitude towards each other, have respect for each other and promote team spirit. In addition, all information that could be important for others must be shared.

KBC supports initiatives taken by individuals to further their development and offers them the opportunity to acquire all available knowledge required for them to carry out their professional activities.

Courtesy

KBC attaches great importance to courteous behaviour. Behaviour in the workplace may not inconvenience other staff or jeopardise their health and safety.

Individual needs and professional development

KBC understands that the motivation of its staff is partly determined by the extent to which it meets their individual needs and requirements. Through its managers, KBC therefore takes note of those needs and requirements, offers its staff the possibility of professional development and looks to meet its staff's reasonable desires with regard to the nature of work and to technical and operating conditions, so that staff can perform well.

Besides that, KBC invests in the welfare of its staff by supporting initiatives that enhance their motivation:

- teleworking;
- extensive personal training facilities;
- various end of career and retirement options;
- etc.

6. **L** – Local Embeddedness

“Staff members are socially and environmentally responsible, embrace teams and are at home in diverse markets. Staff members embrace the diversity of our clients in our different core markets, act accordingly and create a sustainable client relationship.”

Corporate social responsibility

KBC promotes the principles of corporate social responsibility, as published on the KBC Group website www.kbc.com. The principles and statements of the group regarding corruption and the protection of human rights, as well as the safeguarding of the environment, must always be applied.

In accordance with the KBC Group’s human rights policy, KBC respects, supports and has implemented the principles underlying universal human rights throughout the group.

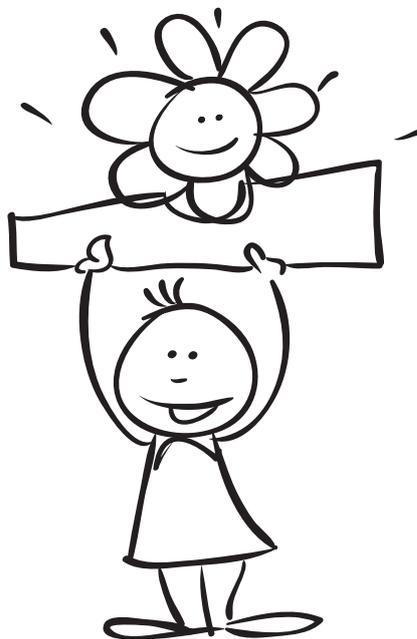
KBC’s public image

How KBC is perceived by the public is strongly influenced by the media.

When offering opinions in public, KBC’s values must be respected.

Press releases in the name of KBC and communications with the media relating to KBC may be issued only by authorised departments or persons, and contact with the press is limited to these authorised persons only.

‘Media’ is defined as both traditional media (radio, television, newspapers, etc.) and all new/social media (e.g., text messages, internet, chatting, blogging, forums and social networks such as Facebook, Twitter, Netlog and others).



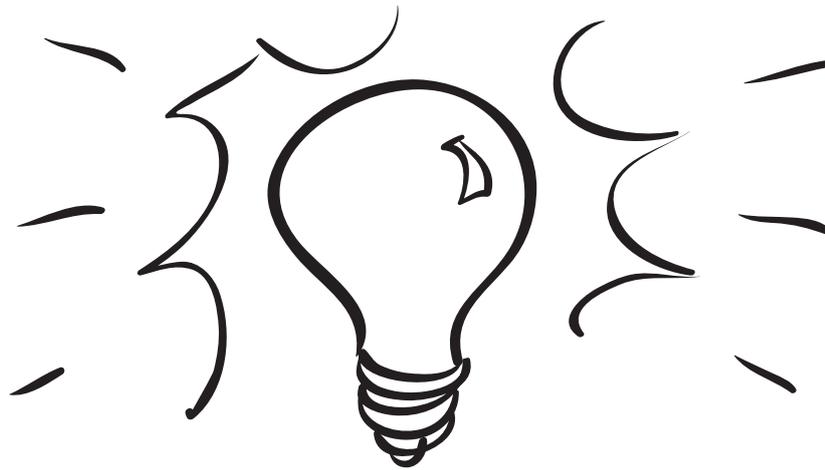
Engaging in activities outside KBC

KBC welcomes its staff engaging in leisure activities in the fields of sport, culture, scientific research, special interest organisations, etc. In doing so, however, staff must avoid acting in the capacity of KBC employees at all costs.



This is how we do things at KBC.

THE REFERENCE!



Contact: cplaeoi@kbc.be

Approved by KBC Group's Executive Committee on November 5, 2013
Approved by the Board of Directors of KBC Group on November 13, 2013