KBC Group Remuneration Policy for the members of the Board of Directors and of the members of the Executive Committee

Approved by the General Meeting of Shareholders on 7 May 2026 with 68,19% of the votes cast

Introduction

This remuneration policy has been drafted to comply with Article 7:89/1 of the Belgian Companies Code (which includes the transposition of Article 9a of the European Shareholders' Rights Directive of 17 May 2017). This document describes the remuneration policy for the members of the Board of Directors of KBC Group NV, KBC Bank NV and KBC Insurance NV and for the members of the Executive Committee of KBC Group NV, KBC Bank NV and KBC Insurance NV. This policy equally applies to the members of the Supervisory Board and Management Board of KBC Global Services.

The purpose of this policy is to create a remuneration framework that not only complies with prevailing European and national legislation and regulations, but is also in line with and contributes to the business strategy (incl. the corporate sustainability strategy). It aims to ensure consistency with sound and effective risk management in line with the Risk Appetite Statement, as approved by the Board of Directors, to prevent excessive risk-taking and to be aligned with the long-term interests of the KBC group.

On the advice of the Remuneration Committee, the Board of Directors submits the remuneration policy (and changes to this policy) to the General Meeting for approval in the event of any material changes or otherwise at least every four years. This policy stipulates that remuneration schemes (incl. the conditions for awarding and paying remuneration) are gender-neutral in order to guarantee equal pay for equal work or work of equal value.

The Remuneration Committee exercises competent and independent judgment on the remuneration policies and practices. The Remuneration Committee is responsible for the preparation of decisions regarding remuneration thereby taking into account the long-term interests of shareholders, investors and other stakeholders (including the public interest). The Risk & Compliance Committee supports the Remuneration Committee in its functioning.

If it is necessary to serve the long-term interests and sustainability of the company or to assure its viability, a temporary derogation from this policy can be granted by the Board of Directors on the advice of the Remuneration Committee.

Board of Directors

Directors are appointed by the General Meeting for a four-year term of office.

The Board of Directors of KBC Group NV is made up of non-executive directors and three executive directors (the CEO, the CFO and the CRO). The three executive directors sit on the Executive Committee, are remunerated as members of the Executive Committee and do not receive any remuneration as a director. The description of the remuneration below therefore only relates to the non-executive members of the Board of Directors.

Members of the Board of Directors of KBC Group NV receive solely an annual fixed emolument and a fee for each meeting attended. Board members are only paid in cash and do not receive any variable remuneration, are not covered by incentive programmes and do not receive a performance-related emolument. No pension contributions are payable on the remuneration of Board members.

Some Board members are also members of the Board of Directors of KBC Bank NV and/or KBC Insurance NV. If meetings of the Board of Directors of KBC Group coincide with Board meetings of KBC Bank and/or KBC Insurance, the attendance fee will be paid just once for directors sitting on more than one of these Boards.

The base remuneration of Board members is set at a level that reflects the qualifications and efforts required in view of the group's complexity, the extent of their responsibilities and the number of Board meetings. The Deputy Chairman of the Board of Directors of KBC Group is entitled to an additional base remuneration.

In light of the considerable time required for directors residing outside Belgium to attend Board meetings, an additional attendance fee is paid to them for each meeting attended physically. In view of his extensive responsibilities in relation to the ongoing supervision of KBC group affairs, the Chairman of the Board of Directors of KBC Group NV is not paid attendance fees but instead receives a higher base remuneration.

Base remuneration is approved annually by the General Meeting of KBC Group, with due consideration given to all legal and statutory requirements in this respect.

Directors sitting on the Audit Committee (AC) or the Risk & Compliance Committee (RCC) receive an additional base remuneration for the additional effort they make in that regard. The chairman of the AC and the chairman of the RCC receive an additional base remuneration on top of that. Some directors are members of both the AC and RCC and/or also sit on the AC or RCC of KBC Bank NV and/or KBC Insurance NV. Directors sitting on more than one of these committees receive the base remuneration just once. Directors who are members of the Nomination Committee or the Remuneration Committee do not receive any additional remuneration.

No notice periods or severance payments apply with regard to termination of the contract with non-executive members of the Board of Directors.

The remuneration of individual Board members is specified in the annual report on the Corporate Governance site.

The non-executive members of the Board of Directors of KBC Group NV are also member of the Supervisory Board of KBC Global Services. As a result, no additional remuneration is paid on top of their remuneration as member of the Board of Directors of KBC Group NV.

Executive Committee

The members of the Executive Committee are appointed by the Board of Directors (on the advice of the Nomination Committee) for an indefinite period.

The remuneration of the members of the Executive Committee of KBC Group is set at a level that is consistent with their decision-making powers, tasks, expertise and responsibilities. It reflects their contribution to the management and growth of the KBC group and ensures the group's continued ability to attract and retain the best qualified individuals as members of the Executive Committee. To emphasise the fact that the Executive Committee acts as a body which bears collective responsibility, the remuneration for all the members, apart from the president, is largely identical (except for a small difference in how the CRO's variable remuneration is calculated, as required by regulation).

The remuneration of the members of the Executive Committee is assessed annually, taking into account developments in regulatory requirements, market practice, company performance and changes in staff remuneration. It is determined by the Board of Directors of KBC Group in its supervisory role based on the advice of the Remuneration Committee of KBC Group and of the President of the Executive Committee of KBC Group (with the exception of his own remuneration).

The remuneration of the members of the Executive Committee of KBC Group consists of the following fixed and variable components.

The fixed components are:

- ✓ fixed monthly emolument;
- ✓ a supplementary retirement pension benefit and supplementary death and invalidity cover.

The variable components are:

- ✓ an annual variable emolument based on the performance of the Executive Committee as a whole;
- ✓ an annual variable emolument based on the individual performance of the Executive Committee member;
- ✓ a retention bonus which may be awarded by the Board of Directors to a specific member of the Executive Committee in exceptional circumstances.

The fixed emolument is adjusted to take account of the health index in the same way as for staff in Belgium, i.e. a two-monthly adjustment based on the four-month moving average of the health index. The calculation base for the variable remuneration component will be index-linked each year.

In the exceptional case that a member of the Executive Committee would, on behalf of KBC, hold a paid directorship in another company, the remuneration for holding such an office would be deducted from the fixed/variable income of the member holding the directorship.

In addition to the above remuneration, members of the Executive Committee are also entitled to the same benefits as those awarded to senior management in Belgium. This includes, but is not limited to, insurance cover for accidents occurring during the performance of the mandate, a company car, mobile phone and hospitalisation insurance.

Members of the Executive Committee are also entitled to a monthly flat-rate expenses allowance that was agreed with the Belgian tax authorities (currently 335 euros).

Setting performance-related variable remuneration

The performance of the Executive Committee is assessed once a year, based on a written performance agreement containing pre-agreed financial and non-financial criteria relating to the achievements of the Executive Committee and the company.

These goals are set by the Board of Directors on the advice of the KBC Group Remuneration Committee. For the CRO, there is no link with the financial performance of the KBC group, and the impact of risk and control topics in the assessment is more pronounced. These goals reflect KBC Group's value creation targets, both in the short and long term and are centred on four broad areas:

Area	Description
Strategy implementation	As regards implementing strategy – besides achieving any specific targets – the main focus is on what has been achieved in terms of client centricity, bank-insurance, sustainability and encouraging responsible conduct, and innovation (the digital revolution).
Realising the financial plan	The criteria for assessing whether the financial plans have been achieved comprise a number of financial parameters, such as return, profit, capital, and cost of credit.
Risk & Control environment	Strengthening the risk and control environment is assessed based on stated liquidity, capital and funding criteria, implementing recommendations made by audit and the regulator, and the degree to which the quality of the internal control environment, incl. compliance has improved.
Satisfying stakeholders	Stakeholder satisfaction is assessed on the basis of the results from client and employee satisfaction surveys, satisfaction of the Board of Directors and the overall relationship with KBC's regulators.

This assessment of all these criteria is reflected in a percentage between 0% and 100% that is applied to the maximum result-related variable emolument. The size of the variable emolument, therefore, depends to a small extent on achieving financial results. Risk management and compliance, stakeholder management, innovation and sustainability are aspects that are at least equally important in this regard.

The individual performance of the members of the Executive Committee is assessed once a year. On the basis of the advice obtained from the Remuneration Committee (which takes due account of the assessment performed by the President of the Executive Committee with regard to the performance of the members of the Executive Committee), the Board assesses the performance of each member of the Executive Committee in view of the five aspects of our corporate culture (PEARL: 'Performance', 'Empowerment', 'Accountability', 'Responsiveness' and 'Local Embeddedness and Groupwide cooperation') and the core value of being 'Respectful'. This results in an aggregate score for these six aspects that ultimately determines the size of the individual variable emolument.

Awarding a retention bonus

In exceptional circumstances, the Board of Directors may decide to award a retention bonus to a specific member of the Executive Committee. Such exceptional circumstances include the divestment or winddown of a business unit, the implementation of a major reorganisation of a business unit, in case of resolution or when a case can be made for the retention of a member of the Executive Committee on risk and/or value preservation grounds.

In such case, the member of the Executive Committee is only entitled to the retention bonus if:

- ✓ The member of the Executive Committee has not resigned from employment or has not provided notice of resignation, before or on the relevant payment dates;
- ✓ The member of the Executive Committee continued to perform the assigned job responsibilities in a professional way;
- ✓ KBC did not terminate the contract with the member of the Executive Committee for serious cause before or on the relevant payment dates.

The retention bonus qualifies as variable remuneration, but it is not subject to the aforementioned performance assessment scores. Risk adjustments and deferral schemes remain applicable.

Risk adjustment

Payment of the variable remuneration component is risk-adjusted (ex-ante and ex-post).

***Ex-ante** risk adjustment*

A quantitative ex-ante risk-adjustment mechanism (called a 'risk gateway') is in place for all Key Identified Staff, including the members of the Executive Committee. It comprises a number of capital and liquidity parameters that have to be met before the variable remuneration component for the respective performance year may be awarded. The parameters are set each year by the Board of Directors. If one or more of these parameters are not met, no variable remuneration can be awarded for the performance year in question.

***Ex-post** risk adjustment – malus arrangement and clawback*

Ex-post risk adjustment operates either by reducing deferred amounts that have still to be acquired (malus arrangement), or by clawing back deferred amounts already acquired or paid in the past, up to maximum five years after payment, at the discretion of the Board of Directors of KBC Group and to the extent permitted by law.

A **malus arrangement** can be applied:

1. to the variable remuneration of a member of the Executive Committee if there is evidence of misconduct or serious error on the part of that member (e.g., a violation of the code of conduct or other internal rules, especially concerning risks, use of misleading information), as well as fraud or participation in a special mechanism by that member in order to promote or with the consequence of promoting tax fraud by a third party;
2. to the variable remuneration of members of the Executive Committee if KBC Group suffers a significant downturn in its financial performance due to misconduct or serious error on the part of a member of the Executive Committee, as referred to under point 1 above. A significant downturn is defined as when either the net result or the risk adjusted profit of KBC Group in the year preceding the one in which the amounts are to be vested has fallen by at least 25% since the year in which the variable remuneration was awarded;
3. to the variable remuneration of the members of the Executive Committee if either the net result or the risk adjusted profit of KBC Group in the year preceding the one in which the amounts are to be vested has fallen by at least 50% since the year in which the variable remuneration was awarded;
4. to the variable remuneration of the members of the Executive Committee if the net result or risk adjusted profit of KBC Group is negative in the year preceding the one the amounts were vested;
5. to the variable remuneration of the members of the Executive Committee if KBC Group suffers a significant failure in risk management (e.g., reflected in a significant increase in the capital requirement);
6. to the variable remuneration of a member of the Executive Committee in the event of any regulatory sanctions where the conduct of that member contributed to the sanction.

The malus arrangement can be applied to deferred amounts that have still to be vested and that relate to the year they were awarded. The KBC Group Remuneration Committee can advise the Board of Directors of KBC Group not to apply a malus arrangement for specific reasons. The KBC Group Remuneration Committee will also provide advice on the percentage (from 0% to 100%) that should be applied to the malus arrangement, with due consideration being given to:

- ✓ the impact on the financial situation of KBC Group;
- ✓ the seriousness of the facts that have occurred and the role of the member(s) of the Executive Committee therein;
- ✓ all circumstances that are broadly relevant to the incidents referred to under points 1 through 6 above.

The final decision as to whether a malus arrangement should be applied and what the applicable percentage should be will be taken by the Board of Directors of KBC Group.

A **clawback** can be applied in the event of incidents referred to above under points 1 and 6 covering possible application of the malus arrangement.

The KBC Group Remuneration Committee will advise whether a clawback should be applied and what the applicable percentage should be (taking into account the seriousness of the facts that have occurred and the role of the member of the Executive Committee therein). The final decision will be taken by the Board of Directors of KBC Group.

If there is a significant decline in the net result or the risk adjusted profit or a negative net result or risk adjusted profit of KBC Group, the Board of Directors of KBC Group can decide, on the advice of the KBC Group Remuneration Committee, to reduce the total variable remuneration of the members of the Executive Committee.

Regulatory cap on variable remuneration and deferral scheme

Total variable remuneration is capped at 50% of the annual fixed remuneration component. There is no floor for the variable remuneration component. 60% of the variable remuneration is not paid straightaway but instead paid in equal instalment spread over a period of five years.

Half the total variable remuneration is awarded in the form of phantom stocks[1] with a retention period of one year (i.e. they are only converted into cash one year after being awarded). This means that the final payment of the variable component relating to financial year X will not be made until year X+7. This enables the longer-term effects of the business strategy on the value of the group to also be reflected in the remuneration.

Termination

Members of the Executive Committee are entitled to a severance payment in case of termination of their mandate. Such a severance payment is not due when the initiative for termination has been taken by the member of the Executive Committee, when they retire and when termination is the result of acts or facts which would qualify as grounds for immediate dismissal for just cause under Belgian labour law.

Within the limits of what is permitted by law and regulation, the severance payment equals the amount to which the member of the Executive Committee by analogy would have been entitled by virtue of his or her seniority under the legal provisions governing dismissal under an

[1]As the Czech National Bank does not permit the exclusive use of phantom stocks (as they relate to the results of the KBC group), 50% of the phantom stocks for the member of the Executive Committee responsible for the Czech Republic Business Unit are replaced by a specific non-cash instrument, the value of which varies according to the results of ČSOB and the underlying factors determining the value of the phantom stocks.

employment contract. As a result, this severance payment is covered by the exception provided for in article 12/1, §1, 2°, Annex II of the Belgian Banking Act. The amount is however capped at:

- ✓ 12 month's remuneration for members of the Executive Committee who have worked six years or less in the KBC group (or in the legal predecessor of a KBC group company);
- ✓ 15 months' remuneration for those who have worked between six and nine years,
- ✓ 18 months' for those who have worked more than nine years.

In this context, remuneration is taken to be the fixed remuneration component for the current year and the variable component for the last full year preceding termination of office.

If the term of office of members of the Executive Committee is terminated, the following principles apply with respect to the payment of variable remuneration:

- ✓ Variable remuneration awarded in previous performance years, but not yet vested or paid at the moment of termination, still has to be paid at the scheduled time after this termination, except when termination is the result of acts or facts which would qualify as grounds for immediate dismissal for just cause under Belgian labour law.
- ✓ Variable remuneration for the performance year in which the termination takes place will still be awarded (*pro rata temporis*). The Board of Directors of KBC Group (on the advice of the KBC Group Remuneration Committee) can, however, decide not to award it when termination is the result of acts or facts which would qualify as grounds for immediate dismissal for just cause under Belgian labour law.

Deferred amounts do not vest in an accelerated way on the date the term of office is terminated, unless termination is due to death.

In the event of a change in control of KBC Group, the Board of Directors of KBC Group will decide on a possible accelerated vesting of any outstanding amounts.

Pension, disability cover and death cover

The members of the Executive Committee have a separate defined contribution plan that is funded entirely by KBC. When drawing up this plan, account was taken of the fact that the career of a member of the Executive Committee is shorter than that of an average employee. In the pension formula, therefore, the first ten years that an individual sits on the Executive Committee are the ones in which a significant part of the supplementary pension is built up.

The contribution that KBC makes to the pension plan amounts to 32% of the fixed emolument during those first ten years, 7% for the next five years and 3% starting from the sixteenth year of plan membership. A minimum return of 0% (capped at 8.25%) is guaranteed on the contributions. Given the specific structure of this pension plan, funding of the plan is not spread equally over the entire career. During the first ten years, the size of the payment made into the pension fund is rather large, but declines to a fraction of what it had been previously starting from the eleventh year and even more markedly from the sixteenth year.

The plan applies to all members of the Executive Committee who are resident in Belgium. For the members that are not resident in Belgium, an individual insurance policy, mirroring the content of the pension plan, is in place. For the members who had joined the Executive Committee prior to 1 January 2016, the vested reserves built up (in the previous pension plan) by 31 December 2015 were transferred to the new plan. The pension plan also includes a death benefit, which equals four times the amount of the fixed emolument (or, if higher, the reserves that have been built at the time of death). Where applicable, there is also an orphan's pension, comprising a one-off benefit of 239 662 euros and an annuity of 7 773 euros per year (figures for 2025).

The invalidity benefit provided under the plan amounts to approximately 922 989 euros (annuity – figure for 2025). All these figures are linked to the health index.

After the first ten years, pension contributions sharply decrease. To maintain the elevated pension accrual, the members of the Executive Committee are granted the possibility to convert part of their fixed remuneration into an additional pension allowance as of year eleven. This conversion will be provided within the existing pension plan. As a result, all members of the Executive Committee will therefore, in principle, make use of it. Each member will however have the possibility to opt out at the outset or whenever material changes would be made. In such case, the amount will be added back to the fixed monthly emolument.