KBC BANK NV CORPORATE GOVERNANCE CHARTER[1]

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Appendix 1 Definitions

INTRODUCTION

This Corporate Governance Charter of KBC Bank NV sets out the main aspects of its Corporate Governance policy. This Charter qualifies as the 'internal regulation' in the meaning of Article 2:59 of the Companies and Associations Code.

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

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

The Charter can be consulted on the KBC group website (www.kbc.com). The latest Annual Report and Articles of Association are also available on that website.

1. KBC BANK NV MISSION AND VISION

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

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

The KBC group is a bank-insurance group, which focuses on retail, small and medium-sized enterprises (SMEs) and midcap clients in its core markets of Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria.

To remain –as a stand-alone group– among the best performing and trusted financial institutions in Europe, KBC Group developed its 'Differently, the next level'-strategy (2020-2023) resulting in

- a digital first bank-insurance model,
- customers' access to non-financial solutions or bank-insurance+,
- Kate, and
- the Kate Coin introduction.

In 2023-2026 we bring the created building blocks Digital first, Bank-insurance+, Kate and Kate Coin together into the updated KBC Group Strategy 'S.T.E.M., the Ecosphere'. This further implements the "Differently, the Next Level" strategy and uses the different building blocks to enable KBC Group to create extra power to meet customer expectations and to face the competition.

We still consider our Corporate Storyline as a valid way forward. With the "S.T.E.M.: the Ecosphere" strategy we come to the real purpose of the different building blocks which were part of the previous strategy exercises:

- We continue to focus on the fulfilment of the customer financial needs with high quality bank and insurance products (= core task of KBC Group).
- Driven by the basic principle, "zero hassle, zero friction" we continue to STP our bank/insurance sales, backoffice processes and also headquarters.
- Today, we fulfill the customer need in an end phase of the customer journey, i.e. when the customer needs money/assurance to realise his/her journey. We have to move up, appear earlier in the customer journey. This means that our products need to be developed with the entire customer journey in mind. Therefore, we will provide our customer with a new type of service whereby we put ourselves in the shoes of our customers for the fulfilment of the different steps in their search for solutions (broader than financial ones) for issues they are confronted with (= customer journey).
- Whereas the customer has the possibility to contact employees in the branch network (bank/insurance) of KBC for detailed and customized financial advice, the ultimate 24/7 guide in the different steps (E2E) of the customer journey will be Kate. Kate will be

omnipresent and a fully customized solution driven assistant for every customer in (initially pre-defined, ultimately most) customer journeys part of various ecosystems.

- Ecosystems are considered as crucial to deliver a superior customer experience. The ecosystems have to deliver one-stop shop or full solutions that address all the stages of a customer journey. Data analytics and artificial intelligence (AI) will be used to proactively provide fully AI-enabled solutions (financial combined with non-financial) to our customers directly via mobile applications.
- The various ecosystems within KBC will be connected into a true KBC Ecosphere. The interaction between these ecosystems determines the growth of the Ecosphere. An Ecosphere has a shared agenda with respect to business development and is responsible for the connection between the various ecosystems.
- Solutions will be provided on the basis of KBC products and/or products/services of partners/suppliers, whereby Kate guides customers towards the different and subsequent steps in the journey.
- To reward customers for their loyalty and behaviour, Kate Coins are earned by/granted to customers. They allow customers to save money and earn money both inside and outside of the traditional KBC bank-insurance environment (in fulfilling their customer consumer needs). Or to say it differently, when Kate is the designated guide for our customers in the complex process of customers' need fulfilment, the Kate Coin is the glue which keeps the customers within the KBC ecosphere influence. And at the end, there is a win for the customer, for the supplier and for KBC.

Within the framework of the integrated KBC bank-insurance group, KBC Bank NV carries out, in Belgium or abroad, for its own account or for account of third parties, all banking operations and all other activities that banks are or shall be permitted to pursue. Consequently, to the extent that it is permitted under the legal status of a credit institution, its responsibilities include all operations relating to deposits of cash, securities and valuables; all credit operations; all financial, stock-exchange, foreign-exchange and issue transactions; all broking and commission operations, including those relating to insurance; the purchase and sale, hire and letting, and leasing of and all other transactions involving movable and immovable property; investment in shares and the holding of participations.

KBC Bank NV may perform all acts that can contribute directly or indirectly to the achievement of its object in the broadest sense.

2. STRUCTURE AND ORGANISATION OF KBC BANK NV

2.1. Legal structure

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

The main subsidiaries of KBC Bank NV are CBC Banque SA (Belgium), ČSOB a.s. (Czech Republic), ČSOB a.s. (Slovakia), KBC Asset Management NV (Belgium), KBC Securities NV (Belgium), K&H Bank Zrt (Hungary) and UBB AD (Bulgaria).

2.2. Management structure

KBC Bank NV applies a dual structure:

- Within the framework of the overarching strategy of the KBC group, the *Board of Directors* defines the strategy and general policy of the company. It decides on risk appetite, defining KBC's overall risk playing field and risk strategy. It supervises management and decides on the governance of the company with respect to such matters as fall within its remit.

- The *Executive Committee* is responsible for the operational management of the company within the confines of the strategy, general policy and risk policy approved by the Board of Directors. The operational management encompasses all management powers of the Board of Directors except those which, by law, are expressly reserved for the Board of Directors.

2.3. Internal Governance of the KBC group

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

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

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

2.4. Operational organisation

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

The KBC group's commercial operations are divided up into three Business Units, namely Belgium, Czech Republic and International Markets. These Business Units comprise several Group Companies (primarily credit institutions, investment companies, insurance companies,

and management companies of undertakings for collective investment). Certain activities of some Group Companies (such as KBC Bank NV) are managed from different Business Units. Each Business Unit is led by a CEO, who is a member of the executive committee of KBC Group NV.

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

3. SHARES, CAPITAL AND SHAREHOLDER STRUCTURE

3.1. Shares

3.1.1. *Registered shares*

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

3.1.2. *Voting rights*

Each share gives entitlement to one vote.

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

3.2. Capital

3.2.1. *Statement of capital*

On 15 December 2025, the issued share capital of KBC Bank NV amounted to 9 732 238 065,25 euros, divided into 995 371 469 shares with no nominal value. The share capital is fully paid up.

3.2.2. *Capital increase and issue of shares*

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

The General Meeting also decides on whether to issue subordinated or unsubordinated convertible bonds or subscription rights, whether or not linked to subordinated or unsubordinated bonds that could lead to increases in capital.

3.2.3. *Capital reduction*

The General Meeting may approve a reduction in capital, provided that specific quorum and majority voting requirements and other legal and statutory requirements are met.

3.3. Shareholders

3.3.1. *Structure*

The shares of KBC Bank NV are not offered to the public. All the shares of KBC Bank NV are held by KBC Group NV.

3.3.2. *Equal treatment and information*

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

Periodic information (including half-yearly and yearly earnings statements) is published on the KBC group website (www.kbc.com, under Investor Relations, Information on KBC Bank) at pre-announced times. This information is e-mailed simultaneously to press agencies, European Information Service Providers, financial websites (such as that of Euronext), financial analysts, institutional and private investors and other individuals who have requested it and the FSMA.

Inside information, as defined in the Dealing Code, must be disclosed without delay. In this case, the same distribution method is used as for periodic information.

However, KBC Bank NV may, at its own risk, delay the publication of inside information on the following provisos:

(i) if immediate disclosure is likely to prejudice the legitimate interests of KBC Bank NV or the KBC group;
(ii) if the delay is not likely to mislead the market;
(iii) if the confidentiality of the information concerned is assured; and
(iv) the FSMA is informed once the information is publicly disclosed.

In strictly exceptional circumstances, KBC Bank NV may also delay the disclosure of inside information under its own responsibility in order to maintain stability in the financial system, on the following provisos:

(i) the disclosure risks undermining the stability of the issuer or in the financial system;
(ii) it is in the public interest to delay disclosure;
(iii) confidentiality is assured;
(iv) the FSMA is informed upfront about the delayed disclosure.

3.3.3. *Dialogue with securities holders and other stakeholders*

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

Information, such as the Articles of Association, information with respect to the company's strategy and development, etc., can be found on the KBC group website (www.kbc.com) or is available from the company's registered office.

An e-mail-address of the company is made available on the KBC group website for the communication of the shareholders and holders of other securities issued by KBC with the company. The company will make available additional e-mail addresses for specific purposes.

4. GENERAL MEETING

4.1. General

Each year, the Board of Directors convenes an ordinary General Meeting to be held at its registered office at Havenlaan 2, 1080 Brussels (or elsewhere), at 11 a.m. on the Wednesday immediately preceding the last Thursday in April. If this day is a statutory public holiday or bank holiday, then the General Meeting will be brought forward to 11 a.m. on the banking day immediately preceding that day.

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

4.2. Agenda items

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

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

B. Extraordinary General Meeting
All amendments to the Articles of Association due to, among other things:
a. the issue of KBC Bank NV shares;
b. a capital reduction;
c. decisions which concern the existence, object and form of the company.

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

4.3. Convening notice and agenda

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

The holders of registered shares, together with the directors and the statutory auditor, will be sent a convening notice at least fifteen days prior to the General Meeting, either by ordinary post or by another means of communication to which they have expressly agreed in writing. The holders of registered shares, the directors and the statutory auditor will also be sent the documents required by law.

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

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

As long as KBC Bank NV has just one shareholder, the latter shall exercise the powers granted to the General Meeting of Shareholders. The decisions of the sole shareholder, with the power to act instead of the General Meeting of Shareholders, are recorded in a register that is kept at the company's registered office.

4.4. Proxies

Holders of shares may arrange to be represented at the General Meeting by a proxy. The Board of Directors can determine the type of proxy.

4.5 Meeting proceedings

4.5.1. *Participants*

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

They must sign the attendance register.

4.5.2. *Chair and officers*

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

4.5.3 *Agenda*

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

4.5.4. *Voting*

Each share gives entitlement to one vote.

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

Except for resolutions for which the law requires a larger or smaller majority, for amendments to the Articles of Association a quorum of 50% of the issued share capital and a majority of at least 75% of the votes validly cast by those present or represented by proxy is required. If this quorum is not reached, another General Meeting must be convened and held, which may then, regardless of the capital represented, adopt resolutions by a majority of at least 75% of the votes validly cast by those present or represented by proxy. Invalid and blank votes will not be included in either the numerator or denominator.

Otherwise, the legally required quorums and majorities will apply.

4.5.5. *Reporting*

The secretary to the General Meeting will take the minutes of the General Meeting, which will include the results of any votes. The minutes must be signed by the officers of the General Meeting and by the shareholders who so request and kept at the registered office.
The shareholders may, on request, obtain a copy of or an extract from the minutes signed by the two directors, one of whom is required to be an Executive Director.

5. CHARTER OF THE BOARD OF DIRECTORS

5.1. Powers

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

A. Governance of KBC Bank NV

- The Board of Directors executes the responsibilities laid down in the Companies and Associations Code, such as preparing the consolidated and company financial statements and the annual reports, setting the agenda for the General Meeting and proposing how profit should be allocated.

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

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

- It proposes the nomination of directors to the General Meeting and has power to co-opt new directors in cases of vacancy, once the Nomination Committee's advice has been sought and subject, where required by statute, to the prior approval of the Competent Regulator.

- It decides on the appointment or removal of the chair and members of the Executive Committee after the Nomination Committee's advice has been sought and subject, where required by statute, to the prior approval of the Competent Regulator. It puts in place an effective, responsible and ethical leadership.

- It decides on the appointment, the replacement and the removal from office of persons in charge of compliance, risk management and internal audit.

- It approves the Corporate Governance Charter, containing the charters of the Board of Directors and its advisory committees and of the Executive Committee, taking into account the advice of the advisory committees and the Executive Committee, respectively.

B. Determining and monitoring of the strategy, the main policies and the risk appetite of the KBC Bank group.

The Board's remit includes:

- the overall strategy of the KBC Bank group and its various main activities within the framework of and taking into account the overarching strategy of the KBC group. It approves and regularly reviews the medium and long-term strategy;

- monitoring the operational plans and main policies developed to give effect to the approved strategy;

- strategic investments and divestments, the conclusion and dissolution of alliances and cooperation agreements deemed of significant importance by the Executive Committee and Chair;

- ensuring that the corporate culture is supportive to the realisation of the strategy and that it promotes responsible and ethical behaviour;

- capital allocation, key performance indicators and published performance targets;

- the risk appetite, defining the overall risk playing field and risk strategy;

- remuneration policy;

- corporate sustainability policy;

- the organisational structure of the KBC Bank group;

- the governance memorandum.

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

C. Supervision of management

The Board of Directors supervises:

- the performance of the Executive Committee and its management culture.

- the development of the KBC Bank group, directly and via its advisory committees. To this end, at regular intervals it discusses:

  - the development of the business, in particular of the Business Units and business lines, and of the significant subsidiaries of the KBC Bank group. The Board of Directors is informed whenever major developments occur within the KBC Bank group or in the industries in which it operates;

  - the projects of a strategic nature;

  - the financial reports of KBC Bank NV, in particular the half yearly and annual financial statements (company and consolidated). It monitors the performance against pre-set budgets and targets;

  - the digital strategy of KBC Bank NV;

  - the integrated risk reports, the management of all significant risks and the use of external ratings and internal models.

- the integrity of the accounting and financial reporting systems and, at least once a year, the internal control procedures.

- the independent control functions.

The Board ensures that there are processes in place for monitoring the company's compliance with laws and other regulations, as well as for the application of internal guidelines relating thereto. In this respect, the Board approves the Code of Conduct of KBC Bank, the Acceptance Policy, the Compliance Charter & Integrity Policy, the Compliance Risk Appetite and content wise Strategy as well as a set of some other compliance policies and it ensures that there are processes in place to monitor compliance with these policies.

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

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

With regard to these powers, the company will be validly represented (i) either by two directors, at least one of whom is required to be an Executive Director, (ii) or by one Executive Director 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, (iii) or by persons especially empowered for that purpose.

Interaction between Non-Executive Directors and members of the Executive Committee should take place in a transparent way. The Chair should always be informed.

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

5.2. Composition

5.2.1. *Scope*

KBC Bank NV is administered by a Board of Directors of at least five and not more than 20 members appointed by the General Meeting.

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

5.2.2. *Independent directors*

Two members of the Board of Directors must qualify as an independent director, as defined in the Banking Act.

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

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

5.2.3. *Nominations*

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

5.2.4. *Conditions of appointment*

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

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

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

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

5.2.5. *Appointments*

Proposals to appoint directors (after first being approved by the Competent Regulator), or to re-appoint directors are submitted by the Board of Directors to the General Meeting for approval. Each proposal is accompanied by a recommendation by the Board of Directors, based on the advice of the Nomination Committee of KBC Group NV.

When nominating an independent director, the Board of Directors substantiates why the candidate qualifies as independent.

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

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

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

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

5.2.6. *Training*

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

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

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

5.2.7. *Term of office*

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

The General Meeting may at any time remove a director from office by a simple majority of the votes cast.

5.2.8. *Policy regarding offices held*

5.2.8.1. Offices held on nomination by KBC Bank NV

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

5.2.8.2. Offices held within the KBC group

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

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

5.2.8.3. Offices held outside the KBC group

- In addition to the office held within KBC Bank, Non-Executive Directors may hold no more than three non-executive directorships, or one executive directorship and one non-executive directorship. Taking up such a position must not give rise to any actual or potential significant conflict of interest. The Competent Regulator can agree that one additional non-executive directorship is held.

  Holding various directorships – whether or not involving participation in the daily management – in companies belonging to a group, is deemed to be holding a single directorship.
  Directorships held in asset-holding entities (*patrimonium-vennootschappen/sociétés de patrimoine*) are not included.

  The Non-Executive Directors must inform the Chair of any relevant commitments outside the KBC group, and any changes to those commitments. Non-Executive Directors require the approval of the Board of Directors before taking up directorships in other companies or undertakings with industrial, commercial or financial activities.

- Executive Directors may hold – within the legal limits – non-executive directorships in listed or unlisted companies outside the KBC group. The Board of Directors decides in the case of directorships held in listed companies, the Executive Committee in all other cases.

5.2.9. *Age limit*

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

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

5.2.10. *Remuneration*

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

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

[More information on the remuneration of Executive Directors can be found under '7.2.8. of the Charter of the Executive Committee'].

5.3. Chair

The Chair is elected by the Board of Directors from among its Non-Executive Directors and removed from office on the recommendation of the Nomination Committee of KBC Group NV, where appropriate on the prior approval of the Competent Regulator.

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

The Chair presides over the Board of Directors and is responsible for ensuring that it functions effectively and efficiently in compliance with the current Charter of the Board of Directors. The Chair will endeavour to develop and preserve a climate of trust amongst the members of the Board of Directors, with a view to contributing to open and fair dialogue, and facilitating constructive criticism and responsible decision-making.

More specifically, the Chair assumes the following tasks:

A. The Chair ensures that, within the integrated KBC bank-insurance group, the management structure of KBC Bank NV is appropriate and, where necessary, makes proposals in this regard to the Board of Directors. In light of this, the Chair, with the assistance of the Nomination Committee of KBC Group NV, takes the necessary initiatives regarding the appointment and removal of members of the Executive Committee.

B. The Chair ensures a balanced composition of the Board of Directors and is assisted in this task by the Nomination Committee of KBC Group NV, which he/she also chairs. To achieve this, the Chair takes the necessary initiatives and directs activities with regard to:
   (a) determining what competences and qualifications are required for the appointment of members of the Board of Directors and examining how knowledge, skills, diversity and experience are distributed in the Board of Directors;
   (b) gathering information in advance on candidate directors;
   (c) the appointment or re-appointment procedure for members of the Board of Directors and its committees;
   (d) the self-appraisal procedure of the Board of Directors as a whole and its committees.

C. The Chair is responsible for ensuring the effective and efficient functioning of the Board of Directors by:
   (a) drawing up the annual calendar of Board of Directors' meetings in consultation with the chair of the Executive Committee, and taking account of the fixed, annually recurring agenda items;

(b) supervising the correct observance of the procedures regarding the preparation, deliberation and approval of resolutions, and the implementation of the resolutions passed. More specifically, the Chair ensures that the directors receive accurate, timely and clear information prior to and, if necessary, between Board of Directors' meetings;
(c) presiding over deliberations by the Board of Directors, and ensuring sufficient time is allocated for them;
(d) ensuring that the Board of Directors appoints members and a chair for each Board of Directors' committee (the members of the Audit Committee appoint the chair of this committee);
(e) making provision for suitable initial training for new directors, bearing in mind the individual needs of each director;
(f) organising separate training sessions for the Board of Directors, based on specific requirements.

D. The Chair holds regular discussions with the chair of the Executive Committee on subjects and projects that could be of strategic importance, such as possible mergers, investments and divestments and other important operations.

E. The Chair chairs the General Meeting and, if required, answers shareholders' questions regarding the meeting's agenda.

F. In consultation with the chair of the Executive Committee, the Chair personally represents KBC Bank NV and promotes its interests at important meetings, events and forums.

The deputy chair of the Board of Directors is also selected by the Board of Directors from among the Non-Executive Directors. The deputy chair's primary task is to replace the Chair in that person's absence or in case matters will be discussed where the Chair has a conflict of interest. In that case, the deputy chair temporarily assumes the aforementioned tasks. The deputy chair is also consulted by the Chair whenever the latter deems it necessary in order to execute his/her tasks effectively and efficiently.

5.4. Secretariat

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

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

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

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

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

The secretary to the Executive Committee acts as deputy secretary.

5.5. Procedures

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

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

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

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

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

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

A director who is unable to attend a meeting may – by means of a signed proxy sent by post or by other means of communication which contains the signed proxy in documentary form – authorise another member of the Board of Directors to represent him/her.

The Board of Directors' meeting is chaired by the Chair and, in the Chair's absence or in case matters will be discussed where the Chair has a conflict of interest, by the deputy chair or a director appointed by those directors present.

A Board of Directors' meeting is valid if at least half of the directors are present or represented by proxy. Directors who, in accordance with the law or this Charter, may not participate in 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.

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

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

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

The Board of Directors should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. Possible conflicts of interest (personal or intragroup) are put as a separate item on the agenda of the meeting. In the possible case of a conflict of interests, and without prejudice to statutory requirements, the Board of Directors should, under the lead of the Chair, decide which procedure it will follow to protect the interests of the company and its shareholders.

The Non-Executive Directors will at least once a year hold (at least part of) a meeting in the absence of the CEO and the other members of the Executive Committee.

The minutes of Board of Directors' meetings are approved by the Board and shall be signed by the acting chairperson and by the other members of the Board of Directors who so request.

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

5.6. Rules of conduct

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

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

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

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

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

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

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

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

5.7. Evaluation

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

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

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

5.8. Transactions in financial instruments carried out by directors

5.8.1. *Dealing Code*

Directors of KBC Bank NV can, whether regularly or occasionally, have access to information deemed by law to be inside information. The Board of Directors wishes to

avoid situations in which directors might misuse any inside information, or consciously or otherwise deal in such a way as could be regarded as market abuse.

Therefore any dealing by directors on their own account needs to adhere to the Dealing Code.

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

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

- 'Blocking periods': during 30 calendar days immediately preceding the announcement of interim or annual results and ending a half hour after such announcement, dealings in financial instruments by directors on their own account are in principle prohibited. Dealings under discretionary asset management are exempted.
- 'Reporting duty': Directors (and their Person Closely Associated) are under a duty to report their Dealings in Financial Instruments to the FSMA, which in turn makes these dealings public.
- The Dealing Code contains specific prohibitions and requirements aimed at precluding speculative behaviour.

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

5.8.2. *Personal transactions in financial instruments*

Directors of KBC Bank NV can come into contact with inside information or confidential information concerning customers and the financial instruments issued by these customers, or may have a conflict of interest with these customers. For that reason, KBC Bank NV is subject to a statutory duty to recognise personal transactions of directors in listed or unlisted financial instruments. This has been set out in regulations which take account of the provisions of the European Directive on markets in financial instruments (MiFID).

6. ADVISORY COMMITTEES OF THE BOARD OF DIRECTORS

6.1. INTRODUCTION

In compliance with the Banking Act, the following advisory committees have been established in KBC Bank NV: the Audit Committee and the Risk & Compliance Committee.

These committees comprise exclusively non-executive members of the Board of Directors of KBC Bank NV, and a majority of their members are independent within the meaning of the Banking Act.

The meetings of the advisory committees are held in accordance with the rules applying to the Board of Directors' meetings.

The Board of Directors may set up other committees, whose remit, composition and functioning it will determine. It has set up a Related Party Lending Committee.

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

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

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

6.2. CHARTER OF THE AUDIT COMMITTEE

6.2.1. Introduction

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

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

6.2.2. Purpose and Authority

6.2.2.1. Purpose

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

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

6.2.2.2 Authority

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

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

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

The Audit Committee is responsible for oversight of the financial reporting and -where applicable- the sustainability reporting and the internal control and risk management processes of all entities within the KBC Bank group. In order to give effect to this oversight role, and without impacting the responsibilities of the supervisory bodies and committees of the various subsidiaries within the group, the Audit Committee has authority to define governance rules for the

organisation and functioning of the various audit committees within the KBC Bank group entities. This entails – but is not limited to – drawing up rules for communication between those audit committees and the Audit Committee. In this regard, the chair of the Audit Committee is always invited to attend the meetings of local audit committees.

6.2.3. Organisation

6.2.3.1. Composition

The Audit Committee is composed of three Non-Executive Directors, of whom two are independent as defined by the Banking Act.

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

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

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

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

6.2.3.2 Meetings

The Audit Committee meets at least four times a year.

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

For efficiency reasons, the chair can allow the following persons, or their representatives, to participate at the meetings:

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

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

- The senior general manager of Group Finance;
- The senior general manager of Group Risk;
- Other (senior) general managers at the discretion of the Audit Committee.

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

Both the external and the internal auditors have at all times direct and unrestricted access to the chairmen of the Audit Committee and of the Board of Directors as well as to all members of the Audit Committee. Furthermore, the Audit Committee may hold private meetings with those persons invited to attend its meetings. All meetings start and end without the presence of any member of the Executive Committee. At all times, the Audit Committee can decide to discuss a topic without the presence of any Executive Committee member.

Members of the Audit Committee should endeavour to attend all meetings.

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

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

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

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

6.2.4. Responsibilities

The Audit Committee has the following responsibilities:

6.2.4.1. Internal Control

The Audit Committee ensures that the Executive Committee establishes and maintains an adequate and effective internal control system and adequate and effective internal control processes. The system and processes should be designed to provide assurance in areas including reporting (financial, sustainability, operational, risk), monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

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

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

6.2.4.2 Financial Reporting

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

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

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

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

6.2.4.3 Sustainability Reporting

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

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

6.2.4.4 Internal Audit function

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

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

- monitors compliance with the principles of the Internal Audit Charter, as approved by the Board of Directors;
- approves the activities and the structure of the Internal Audit function, including the audit plan, resources, scope and budget;
- advises the Board on the appointment, the replacement and the dismissal of the KBC Bank Internal Auditor and approves the appointment, the replacement and the dismissal of the members of the Corporate Audit Management Team, each time on a proposal of the Executive Committee;
- assesses the performance of the KBC Bank Internal Auditor;
- reviews the adequacy of the remuneration of the Internal Audit function, including performance awards;
- approves the annual internal audit plan and is informed at least twice a year of the progress made in order to ascertain that audit coverage is adequate;
- reviews and discusses the audit reports and the way management deals with the internal audit recommendations resulting from these reports;
- reviews instances of fraud that are discovered and breaches of laws and regulations raised by the Internal Audit function;
- ensures that the Internal Audit function maintains open communication with senior management, external auditors, the supervisory authority, and the Audit Committee;
- ensures that deficiencies identified by supervisory authorities related to the Internal Audit function are remedied within an appropriate time

frame and that progress on necessary corrective actions is reported to the Board of Directors.

6.2.4.5 Statutory auditor – External audit function

The Audit Committee monitors the statutory audit of the annual and consolidated financial statements and the assurance provided on the sustainability reporting.

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

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

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

The statutory auditor:

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

6.2.5. Reporting

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

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

6.2.6. Review and performance evaluation

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

6.2.7 Conflicts of interest

Every member will inform the Audit Committee of:

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

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

Statutory auditor

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

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

In addition to its normal external audit responsibilities, the statutory auditor also fulfils a complementary role for the purposes of the Competent Regulator's prudential supervision of KBC Bank NV.
Being officially recognised by the Competent Regulator, the statutory auditor is subject to its supervision and submits reports to it at regular intervals.

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

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

The statutory auditor's independence is guaranteed by specific legal provisions implemented within the KBC group. Key points are the requirement for mandatory audit firm rotation, a list of prohibited non-audit services and a 70% cap on fees for non-prohibited non-audit services. Non-audit services are those not entrusted by law to the statutory auditor.

Additionally, a statutory auditor carries out the assurance of the sustainability reporting.

6.3. CHARTER OF THE RISK & COMPLIANCE COMMITTEE

6.3.1. Introduction

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

6.3.2. Purpose and authority

6.3.2.1 Purpose

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

The RCC oversees the risk management and compliance functions.

6.3.2.2 Authority

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

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

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

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

6.3.3. Organisation

6.3.3.1 Composition

The RCC is composed of at least three Non-Executive Directors, a majority of whom are independent within the meaning of the applicable statutory provisions.

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

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

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

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

6.3.3.2 Meetings

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

For efficiency reasons, the chair can allow the following persons, or their representatives, to participate at the meetings:

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

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

- The senior general manager of the Group Credit Risk directorate (GCRD);
- The senior general manager of the Group Risk directorate (GRIS);
- Other (senior) general managers at the discretion of the RCC.

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

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

All meetings start and end without the presence of any member of the Executive Committee. At all times the RCC can decide to discuss a topic without the presence of any Executive Committee member.

Members of the RCC should endeavour to attend all meetings.

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

The RCC has a permanent secretary appointed by the chair.

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

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

6.3.4. Responsibilities

6.3.4.1 Risk appetite, risk strategy and risk profile

The RCC advises on the institution's risk appetite, defining the overall risk playing field and risk strategy, the structure and the level of the limits and the risk exposure compared to the risk appetite.
The RCC monitors implementation of the risk appetite by senior management and monitors the evolution of the risk exposure compared to the risk appetite.

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

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

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

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

6.3.4.3 Risk management function

The RCC supervises and formulates an opinion on the organisation of the risk management function within KBC, overseeing its activities and structure, independence, quality, capacity and skills, with a view to ensuring that KBC possesses an adequate risk management function. To this end, the RCC monitors whether the Executive Committee has taken the necessary measures to ensure that the institution has a permanent, appropriate, independent risk management function.

The RCC is informed of the ambitions of the risk function and the achievement thereof, the human and material resources, the tasks and the reports.

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

6.3.4.4 Compliance with laws and regulations

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

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

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

6.3.4.5 Compliance risks

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

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

To do so, the RCC:

- is informed of material changes in the statutory/regulatory context with an indication of how these changes could influence the Integrity Policy and the organisation/functioning of the compliance function;
- receives an overview of the most significant findings, related recommendations and the way management responds to them;
- receives a yearly assessment by Management of the internal control;
- approves the activity planning and the Compliance Monitoring Programme;
- takes note of the quarterly Compliance reports and projects status.

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

Approval of the Integrity Policy (and its annual assessment), the Compliance Charter, the Code of Conduct and the measures to manage conflicts of interest as well as the revision thereof are exclusively the competence of the Board of Directors. The RCC advises on all Compliance documents submitted to the Board for approval.

6.3.4.6 Compliance function

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

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

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

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

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

6.3.4.7 Remuneration policy and practice

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

appetite, defining the overall risk playing field and risk strategy, is integrated into the KBC Remuneration Policy.

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

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

6.3.5. Reporting

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

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

6.3.6. Review and performance evaluation

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

6.3.7. Conflicts of interest

Every member will inform the RCC of:

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

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

6.4. CHARTER OF THE RELATED PARTY LENDING COMMITTEE

6.4.1. Introduction

The Related Party Lending Committee ('RPLC') is a committee of the Board of Directors. It supports the Board of Directors in the exercise of its powers under Article 72, § 1 of the Banking Act in relation to loans, credit and guarantees (hereinafter in this Charter collectively referred to as 'credit') granted – directly or indirectly – to related parties.
Such credit must be notified to the Board of Directors, which may then oppose it ('*nihil obstat*').

The credit must be granted at arm's length, which means that KBC Bank shall not grant credit to a related party on more favourable terms than it would to a non-related party.

The credit is notified to the Board of Directors after review by the RPLC.

6.4.2. Powers

The RPLC advises the Board of Directors in the execution of its *nihil obstat* authority relating to credits. The Board of Directors can specify the type of credit which will be submitted for advice to the RPLC.

6.4.3. Composition

The RPLC consists of two members. The members and two substitutes are appointed by the Board of Directors.

One of the members is an Executive Director, the other is an independent director. The two substitutes are also an Executive Director and an independent director.

6.4.4. Chair

The independent director is the chair of the RPLC.

6.4.5. Secretariat

The RPLC has a permanent secretary.

The secretary draws up a report of each meeting summarising the discussions and the advice of the RPLC.

6.4.6. Procedure

The RPLC meets if and when required on the invitation of the secretary on behalf of the chair.

The RPLC formulates its advice by consensus. It can:

- give positive advice;
- give negative advice;
- opt (when it does give neither positive nor negative advice) to give sufficient information so that the Board members can decide on the *nihil obstat*.

If the members of the RPLC cannot reach consensus, the file will be referred for decision on the *nihil obstat* to the next regular meeting of the Board of Directors.

6.4.7. Reporting

The chair of the RPLC reports to the Board of Directors on ad hoc basis on any issues relating to the activities of the RPLC.

6.4.8. Evaluation

The RPLC conducts periodic evaluations of its functioning and procedures and reports on them to the Board of Directors. In doing so it makes proposals to the Board of Directors if necessary.

6.4.9. Conflicts of interest

If any credit gives rise to a conflict of interest with any member of the RPLC, that member must inform the other member of this conflict before the advice is given and must refrain from giving any advice. In such case the substitute member will replace the member with the conflict.

6.5. NOMINATION AND REMUNERATION COMMITTEES OF KBC GROUP NV

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

The Nomination Committee of KBC Group NV advises the board of directors of KBC Group NV on the nomination policy to be followed both in the company itself and in its main direct

subsidiaries, more specifically KBC Bank NV, KBC Insurance NV and KBC Global Services NV, and monitors that this is actually done. The Nomination Committee of KBC Group NV thus plays an important role in the integration of the KBC group. Given the overarching role of the Nomination Committee, no separate Nomination Committee has been established at board level in either KBC Bank NV, KBC Insurance NV or KBC Global Services NV, but instead the Nomination Committee of KBC Group NV acts on their behalf.

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

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

7. CHARTER OF THE EXECUTIVE COMMITTEE

7.1. Powers

7.1.1. Role

Pursuant to Article *7:110* of the Companies and Associations Code and Article 24 of the Banking Act, the Executive Committee is entrusted with all the management powers which are not reserved by law for the Board of Directors. The Executive Committee is competent to act autonomously in these matters, yet always within the scope of the strategy defined by the Board of Directors. This power does not, therefore, relate to general policy or matters which are reserved by law for the Board of Directors. Moreover, the Board of Directors is responsible for supervising the Executive Committee.

7.1.2. Remit

The main tasks of the Executive Committee are:

a. to conduct the operational management of KBC Bank NV by:

- developing, implementing and pursuing the strategy set by the Board of Directors within the general strategy of the KBC group, taking into account the values of the group, its appetite for risk and main policies;
- conducting day-to-day management;
- supervising line management and compliance with the delegated powers and responsibilities, and reporting;

b. to report to the Board of Directors on the implementation of the main policies and to provide a balanced and comprehensive assessment of the financial situation of KBC Bank NV in particular, and to provide the Board of Directors with the information it needs to carry out its responsibilities;

c. to research, formulate and draft policy proposals and strategic or structural projects to be submitted to the Board of Directors;

d. to draw up comprehensive, timely, reliable and accurate financial reports for KBC Bank NV, in accordance with prevailing accounting standards and company policy, and to bear responsibility for that;

e. to prepare the compulsory release of the financial statements and other material information;

f. to establish, manage and follow up internal control measures to make it possible to identify, evaluate, manage and control financial and other risks;

g. to carry out other tasks entrusted to it in specific cases by the Board of Directors;

h. to report as required on a periodic basis to the Competent Regulator, the statutory auditor and the Board of Directors, on the financial position and state of the management structure, the organisation, the internal control system and the independent control functions.

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

The Executive Committee has the general representation power. As such, KBC Bank NV will always be validly represented by (i) two members of the Executive Committee, or (ii) by one member of the Executive Committee acting together either with a senior general manager or with the secretary to the Board of Directors, the secretary to the Executive Committee, or the Group Secretary, or (iii) by persons especially empowered for that purpose.

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

7.1.3. Risk management

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

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

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

7.1.4. Financial policy

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

7.2. Composition

7.2.1. *Scope*

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

7.2.2. *Competence requirements - Diversity*

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

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

7.2.3. *Appointments*

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

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

7.2.4. *Training*

Newly appointed members of the Executive Committee will receive appropriate training, based on their individual needs. Moreover, the provisions of the Charter of the Board of Directors *[see '5.2.6 of the Charter of the Board of Directors']*, also apply to the new Executive Directors.
In addition, the members of the Executive Committee are expected to keep their competences and knowledge concerning the company and the markets in which it operates up to date on an ongoing and in-depth basis. This can be done e.g. by means of independent study, specific internal sessions and specialised external workshops and conferences.

7.2.5. *Term of office*

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

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

- upon the relevant age limit being attained (see point 7.2.7. below);
- upon the member resigning;
- upon revocation of their office at any time by the Board of Directors, after obtaining the advice of the Nomination Committee of KBC Group NV and after notifying the Competent Regulator;
- upon the General Meeting deciding to revoke or not to renew the director's term of office and after notifying the Competent Regulator.

7.2.6. *Policy regarding offices held*

Reference is made to 5.2.8 of the Charter of the Board of Directors.

7.2.7. *Age limit*

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

7.2.8. *Remuneration*

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

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

The remuneration of individual Executive Committee members is made up of the following components:
- A fixed monthly emolument;
- An annual, performance-related variable emolument.

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

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

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

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

7.3. Chair

The chair of the Executive Committee is appointed by the Board of Directors, after having received the advice of the Nomination Committee of KBC Group NV, and subject to the prior approval of the Competent Regulator.

The office of chair of the Executive Committee cannot be held simultaneously with the office of Chair of the Board of Directors.

The chair heads the Executive Committee and is responsible for ensuring it functions effectively and efficiently in compliance with the Charter of the Executive Committee. This entails:
- organising, chairing and leading the meetings of the Executive Committee;

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

Where the Board of Directors is concerned, the chair of the Executive Committee is responsible for:
- maintaining a continual dialogue with the Chair in a climate of mutual trust and openness;
- accounting to the Board of Directors for the functioning of the Executive Committee.

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

To the outside world, the chair of the Executive Committee is the main spokesman for KBC Bank NV.

7.4. Secretariat

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

Under the supervision of the chair of the Executive Committee, the secretary will be responsible for organising the Executive Committee meetings and compiling the minutes. The minutes summarise the deliberations, detail the resolutions passed and report any reservations that the members have.

7.5. Procedures

7.5.1. *Division of responsibilities*

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

7.5.2. *Meetings*

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

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

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

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

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

An Executive Committee meeting will be valid if at least half of the members are present or represented. Executive Committee members who, pursuant to the law and this

Charter may not participate in the deliberations and the vote, are included when determining 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.

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

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

The resolutions of the Executive Committee may also be passed by unanimous written agreement of all its members, without the need to hold a meeting.

The Executive Committee should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. In the possible case of a conflict of interests, and without prejudice to statutory requirements, the Executive Committee should, under the lead of the chair, decide which procedure it will follow to protect the interests of the company and its shareholders.
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.

7.5.3. *Reporting to the Board of Directors*

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

7.5.4. *Delegation*

The Executive Committee may, within the limits of its authority, delegate special powers to agents of its choice. In this way, the Executive Committee delegates some of its powers to committees, such as the group risk committees, the Asset/Liability Management Committee (ALCO), the Management Committees of the Business Units, the management committees covering two or more companies or directorates and that are important for steering a Business Unit or the KBC group. Other committees are set up at the level of KBC Bank NV or to manage the Business Units and ensure they function properly.

7.6. Rules of Conduct

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

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

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

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

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

7.7. Evaluation

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

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

The Remuneration Committee meets annually with the chair of the Executive Committee to discuss the functioning and performance of the Executive Committee *[see '6.5.1.2 (e) Charter of the Remuneration Committee' in the KBC Group NV Corporate Governance Charter]*.

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

7.8.1. Dealing Code

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

Therefore, any dealing by Members of the Executive Committee on their own account needs to adhere to the Dealing Code.

Members of the Executive Committee need to adhere to the Dealing Code in exactly the same terms as directors (see section 5.8.1).

7.8.2. Personal transactions in financial instruments

Members of the Executive Committee can, in certain circumstances, come into contact with inside information or confidential information concerning customers and the financial instruments issued by these customers, or may have a conflict of interest with these customers. For that reason, KBC Bank NV is subject to a statutory duty to recognise personal transactions of members of the Executive Committee in listed or unlisted financial instruments. This has been set out in regulations which take account of the provisions of the European Directive on markets in financial instruments (MiFID).

APPENDIX 1 DEFINITIONS

Appendix 1 to the KBC Bank NV Corporate Governance Charter

DEFINITIONS

Annual Report
The annual report of KBC Bank NV.

Articles of Association
The articles of association of KBC Bank NV.

Audit Committee
The audit committee of KBC Bank NV.

Banking Act
Act of 25 April 2014 on the status and supervision of credit institutions, as amended from time to time.

Board of Directors
The board of directors of KBC Bank NV.

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

Chair
The chair of the Board of Directors of KBC Bank NV.

Charter
KBC Bank NV's Corporate Governance Charter.

Companies and Associations Code
The Belgian Companies and Associations Code as set out in the Act of 23 March 2019, as amended from time to time.

Competent Regulator
The ECB or the NBB, as the case may be.

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

Core Shareholders
The core shareholders of KBC Group NV, which include KBC Ancora NV, Cera CV, MRBB BV and the other core shareholders.

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

Dealing Code
The Code which has been established in accordance with the Market Abuse Regulation, 596/2014, of 16 April 2014, as approved by the Board of Directors and amended from time to time.

ECB
The European Central Bank.

Executive Committee
The executive committee of KBC Bank NV.

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

FSMA
The Financial Services and Markets Authority.

General Meeting
The general meeting of shareholders of KBC Bank NV.

Group Company
Any company affiliated with KBC Group NV within the meaning of Article 1:20,1° of the Companies and Associations Code.

Internal Governance
Aspects of Corporate Governance which are subject to prudential supervision by the Competent Regulator.

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

KBC Bank group
KBC Bank NV together with its direct and indirect subsidiaries.

KBC Bank NV
KBC Bank NV, a company with limited liability (*naamloze vennootschap*), with registered office at Havenlaan 2, 1080 Brussels (Belgium), with company number 0462.920.226.

KBC Global Services NV
KBC Global Services, a company with limited liability (*naamloze vennootschap*), with registered office at Havenlaan 2, 1080 Brussels (Belgium), with company number 0772.332.707.

KBC group or ***the group***
KBC Group NV together with its direct and indirect subsidiaries.

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

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

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

NBB
The National Bank of Belgium.

Nomination Committee
The nomination committee of KBC Group NV.

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

Person Closely Associated
The spouse, partner, children, other family members and certain legal persons as they are defined in the Dealing Code.

Related Party Lending Committee
The related party lending committee of KBC Bank NV.

Remuneration Committee
The remuneration committee of KBC Group NV.

Risk & Compliance Committee
The risk and compliance committee of KBC Bank NV.