

ANNEX – INDUCEMENTS

Wealth Managers (WM) can propose inducement distribution percentages per management type. KBC Bank has foreseen the following distribution types:

- Execution only	WM [TBD%] Clients [TDB%]
- Execution only with appropriateness	WM [TBD%] Clients [TBD%]
- Dependent ad hoc	WM [TBD %] Clients [TBD%]
- Dependent ongoing advice	WM [TBD%] Clients [TBD%]
- Discretionary portfolio management	WM 0% Clients 100%
- Independent ad hoc advice	WM 0% Clients 100%
- Independent ongoing advice	WM 0% Clients 100%

Please note that for; Discretionary portfolio management, Independent ad hoc advice and Independent ongoing advice the distribution percentages are set to 100% for the retail client and 0% for the WM.

Wealth Managers can therefore ask KBC Bank to foresee inducement retention on their behalf for; Execution only, Execution only with appropriateness, Dependent ad hoc and Dependent ongoing advice. Customer Support will send out a mailing containing an excel file in which distribution keys per management type (per account) can be indicated. Wealth Managers will need to indicate via the excel whether they would like KBC Bank to do the ex post inducement retention reporting (will be done every quarter). Deviations within the same management types are not possible. Every WM is expected to communicate the management type per account.

➔ Eg: A WM can define that for his Execution only clients, he wants a 40% retention and 60% of the inducement goes to the retail client. It is however impossible to define that for certain clients with Execution only, he would like a to apply a lower retention percentage based on commercial arguments.

It is possible to define different percentage per management types:

➔ Eg: For Execution only clients 40% retention (and 60% to the retail client) and a 70% retention for the Dependent ongoing clients (and 30% to the retail client) as they benefit from a premium service.

After reception and calculation of the inducements by KBC Bank, payments will be transferred to the retail clients securities account and to the to the Wealth Manager in accordance to the communicated distribution key (see above). The inducement retention reporting will be done simultaneously to each individual retail client (once per quarter). Clients will receive a client statement stipulating the retention by the Wealth Manager (the ex post reporting).

The Wealth Manager needs to communicate his proprietary cash account to Customer Support in order to receive his retention from KBC Bank.

This service is included in the offering at no additional charge.

If the Wealth Manager chooses to opt for certificates then KBC Bank must segregate the related positions, the pricing of this service is mentioned in the inducement policy:

➔ 100 € per certificate per month and 400 € per segregated account per month.

Wealth Manager will transfer the amount of inducement or the portion thereof in accordance with distribution keys indicated above to KBC Bank to effect payment in favor of client(s).

KBC Bank offers ex post reporting for Wealth Managers requesting certification on request desired. In this setup KBC Bank requires the Wealth manager to complete a preformatted inducement template (Excel) obtained via Customer Support. Certification needs to be requested prior to the reception of the inducements.