REMUNERATION POLICY – 24 March 2020

ENGLISH

Table of Contents

1. OBJECTIVES 5
2. REGULATORY FRAMEWORK AND SCOPE 5
2.1 Legal framework 5
2.2 Alignment with business and risk strategy 6
2.3 Scope 6
2.4 Identified Staff 6
2.5 Proportionality 6
3. GOVERNANCE 6
3.1 General 6
3.2 Bodies and functions implied regarding the remuneration 7
4. GENERAL PRINCIPLES OF THE AGEAS REMUNERATION POLICY 8
4.1 Principles of the remuneration policy 8
4.2 Ageas Reward Structure 9
5. PRINCIPLES GOVERNING THE REMUNERATION OF *IDENTIFIED STAFF* 12
5.1 General 12
5.2 Non-Executive Directors. 13
5.3 Executive Committee (hereinafter “Executive Directors”) 14
5.4 Members of the Management Committee. 17
5.5 Independent Control Functions and the Data Protection officer 18
6. TRANSPARENCY ON REMUNERATION REPORT AND POLICY 18

Objective of the document and prerequisites:

The objective of this policy is to describe on which principles the remuneration structure of Ageas is build, this in order to facilitate the strategic ambitions of Ageas and to foster retention and mobility of (key) staff within the group.

This policy is part of the Ageas Solvency II policies and is (to be) approved by the Ageas Remuneration Committee and the Ageas Board. The policy includes the requirements applicable to the insurance and reinsurance companies (in particular the circular letter NBB 2016-31 of 05/07/2016 on the prudential expectations on governance in the insurance and reinsurance sector) and takes into account the latest requirements applicable to listed companies (in particular the Shareholder's Rights Directive II (even if not yet implemented in Belgian law).

Document History

Document History		
20/03/2011	Version 2011 03 13 First adaptation of Fortis group Policy	Submitted to BTH/DVE
23/03/2011	Version 2011 03 23 integrates changes proposed by DVE	KDS
30/08/2011	Version 2011 08 30 integrates changes further to second reading KDS to eliminate unrealistic references remaining from Fortis time	KDS
08/11/2011	Version 2011 11 08 integrates comments/suggestions from BTH	BTH
21/02/2012	Version 2012 02 12 integrates comments/suggestions from LNI	KDS
10/03/2012	Version 2012 03 10 integrates last suggestions from LNI & BTH	KDS
26/07/2012	Version 2012 06 30 integrates change discussed at Remco 22/6/2012 on principle of short term incentive	KDS
30/05/2013	Version submitted for revision to the Remuneration Committee	EDB
06/05/2014	Version submitted for revision to the Remuneration Committee	EDB
11/02/2015	Version submitted for update to the Remuneration Committee	EDB
09/11/2016	Version submitted for update to the Remuneration Committee	EDB
14/05/2019	Version submitted for update and approval to the Remuneration Committee and Board	EDB
28/01/2020	Version submitted for feedback to the Remuneration Committee	EDB
24/03/2020	Version updated and submitted for validation to the Remuneration Committee	EDB
12/05/2020	Version updated and submitted for validation to the Board	EDB
20/05/2020	Version submitted for approval to the AGM	Board

1. OBJECTIVES

The purpose of the Ageas remuneration policy (hereinafter referred to as “this Policy”) is to define, implement and monitor an overall group remuneration philosophy and framework in line with group and local regulatory requirements. More in particular the Policy is intended to:

- Reward fairly and competitively ensuring the organisation’s ability to attract, motivate and retain key talent in an international marketplace.
- Promote achievement of demanding performance targets and long-term sustainable growth.
- Differentiate reward by performance and recognise sustained (over) achievement of performance against pre-agreed, objective goals at the corporate, operating company and individual level.
- Pursue long-term value creation and alignment with shareholders’ interests
- Align remuneration practices and programs of ageas SA/NV (further referred to as Ageas) and its subsidiaries, insofar and to the extent feasible, respecting local (country) market practice and regulation.
- Contribute to sustained mobility within the Group.
- Observe sound principles of corporate governance, of responsible business conduct and comply with all legal requirements
- Observe principles of remuneration practice that contribute to sound risk management and not leading to risk-taking that exceeds the risk tolerance limits of Ageas.

2. REGULATORY FRAMEWORK AND SCOPE

2.1 Legal framework

The Policy is drafted in compliance with the requirements for the business of Insurance and Reinsurance and for listed companies:

Texts with relevance for business of Insurance and Reinsurance are:

- The Act of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies (so-called *Solvency II Act*), which transposes the so-called Solvency II Directive i.e. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (so-called *Solvency II Directive*);
- The Commission Delegated Acts 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (*Solvency II Directive*);
- The EIOPA Guidelines on the system of governance of 14 September 2015;
- The Expectations of the National Bank of Belgium regarding the governance system for the insurance and reinsurance sector of the National Bank of Belgium (NBB Circular letter of 5 July 2016 n° NBB_2016_31 and updated by NBB_2018_23).

Texts with relevance for listed companies are:

- The Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (so-called *Shareholder’s Rights Directive II*, or *Say-on-pay Directive*);
- The Companies and Associations Code (the Act of 23 March 2019 introducing the Companies and Associations Code);

- The Corporate Governance Code of 2020 (designated as the only reference code within the meaning of Article 3:6(2) of the Companies and Associations Code by the Royal Decree of 12 May 2019).Some aspects of the *Shareholder's Rights Directive II* have been transposed in the Companies and Associations Code and in the new Corporate Governance Code of 2020. However, further implementation of this Directive is currently being discussed in Parliament. This remuneration policy intends to comply with said Directive as it is, and shall be amended should the Belgian implementation impose any additional or different requirements.

2.2 Alignment with business and risk strategy

This Policy is established, implemented and maintained in line with the Ageas (as referred in 2.3 below) business and risk management strategy, with the company objectives, and the long-term interests and performance of Ageas. It promotes sound and effective risk management and does not encourage risk-taking that exceeds the risk tolerance limits of Ageas.

2.3 Scope

This Policy consists of an overall framework applicable to all staff members of ageas SA/NV (further referred to as Ageas) and its subsidiaries, and on a best effort basis to the affiliates.
For the purpose of this policy, a "subsidiary" means any entity in which ageas SA/NV, directly or indirectly is a shareholder and holds operational control, and an "affiliate" means any entity in which ageas SA/NV, directly or indirectly is a shareholder and holds no operational control. Ageas considers this policy as a strong guideline and shall stand for its observance. This framework is completed with detailed policies for specific target groups as described below.

2.4 Identified Staff

This Policy contains specific arrangements that take into account the tasks and performance of the administrative, management or supervisory body, persons who effectively run the undertaking or have other key functions and other categories of staff whose professional activities have a material impact on Ageas's risk profile (so-called '*Identified Staff'*) being:

- Members of the Board of Directors;
- Members of the Executive Committee and of the Management Committee;
- The Heads of the Independent Control Functions (audit, risk, compliance and actuarial function);
- Other identified staff: any other staff member whose activities have a material impact on Ageas's risk profile as defined by Ageas. (hereinafter referred to as 'other identified staff ')

2.5 Proportionality

This Policy has been drafted in a proportionate manner to the nature, scale and complexity of the risks underlying the insurance and reinsurance obligations of Ageas.

3. GOVERNANCE

3.1 General

- The general principles set out in this Remuneration Policy are drawn up by the Board of Directors, which assumes the ultimate responsibility for the present Policy and shall ensure that the Policy is applied properly.
- The Board of Directors submits this Policy to the General Shareholders' meeting so that the

Shareholders can vote on it for approval. Ageas shall take the necessary steps to address concerns in case of non- approval, and consider adapting it.

- The remuneration policy shall be submitted to a vote by the general meeting at every material change and in any case at least every four years.
- The Policy is regularly reviewed to ensure that the internal control systems and mechanisms and other arrangements are effective and that its principles are appropriate and consistent with, respectively, Ageas's situation and the applicable regulations, in particular the applicable regulations for the Identified Staff. The opinion of the compliance and risk management department is integrated in this review.
- The assessment of the policy will be carried out at least once a year, under the supervision of the Board of Directors, upon recommendation of the Remuneration Committee and Human Resources.

3.2 Bodies and functions implied regarding the remuneration

The following description includes the key roles of bodies and functions regarding the remuneration policy. The role and responsibilities of the governance bodies involved in the definition, implementation and monitoring of these Policies are specified in the Corporate Governance Charter.

(a) The Board of Directors

- The Board of Directors determines the general principles of the Remuneration policy and the specific principles applicable to the *Identified Staff*, upon recommendation of the Remuneration Committee and Human Resources.
- The Board of Directors decides on the remuneration of the members of the Executive and Management Committees, the Independent Control Functions and other *Identified Staff*, based on input and recommendations provided by the Remuneration Committee.
- When required, the Board of Directors submits propositions to the General Shareholders' meeting.

(b) The Remuneration Committee (hereinafter "RC")

- The RC advises the Board of Directors on the development, the implementation and the continuous assessment of the Remuneration policy with the objective to ensure a fair and market competitive framework which allows Ageas to attract and retain the required key talents.
- It assists the Board of Directors and makes recommendations in all matters relating to the remuneration of the Board Members, the Executive Committee members, the Management Committee members, the independent control functions and other identified staff.
- The RC, together with the Corporate Governance Committee, makes recommendations to the Board on the annual objectives and subsequent evaluation of the performance of the CEO (based on a proposal by the Chairman of the Board) and of the other Executive managers (based on a proposal submitted jointly by the Chairman of the Board and the CEO).
- The RC advises the Board of Directors so that the Remuneration Policy does not incentivize excessive risks taking or behaviours not in line with the long-term interests of Ageas and its stakeholders.
- The RC directly supervises the remuneration of those responsible for the Independent Control Functions.
- To ensure coherence throughout the group, the RC makes recommendations to the Board of Directors on the implementation of the group remuneration principles in the Ageas management structures.
- Other responsibilities of the RC include making recommendations to the Board on disclosure of the remuneration policy (as attached to the Corporate Governance Charter), the remuneration report (as disclosed in the Annual Report) and ensuring that all legal and regulatory disclosure requirements are fulfilled.
-

(c) The Executive Committee

- The implementation of this Policy is ensured by the Executive Committee, with assistance of the Remuneration Committee and Human Resources.
- The Chief Development Officer, in his capacity as ultimate head of HR, ensures the monitoring of the implementation and review of the policy and induces action whenever appropriate.

(d) Human Resources

- The Ageas Group HR Director
    - Ensures the execution and implementation of the Ageas Remuneration Policy;
    - Monitors market practice and regulation and proposes required changes to the Remuneration Policy to the RC for approval by the Board accordingly.
    - Consults with local HR to ensure and facilitate the implementation of the policy at the level of the local entities.
- Local HR is responsible for establishing a compliant local Remuneration Policy which has to be submitted to the local governance bodies. In order to allow a Group view on Remuneration principles and to facilitate the task of Ageas representatives in these bodies, local HR will concert preliminary with Group HR on any fundamental change in the Policy and will communicate the Policy that will be submitted.

(e) Independent control functions

- The independent control functions will at the yearly review of the policy express their opinion on the policy principles more in particular :
    - The Risk function will examine if the incentives included in the remuneration system take appropriately into account the risk control, the capital requirements, the Ageas's liquidity position and do not lead to excessive risk taking.
    - The Audit and Compliance functions monitor the follow-up and implementation of the remuneration policy and more in particular its compliance with regulatory requirements.

4. GENERAL PRINCIPLES OF THE AGEAS REMUNERATION POLICY

4.1 Principles of the remuneration policy

The following principles apply for any staff member of ageas SA/NV (further referred to as Ageas) and its subsidiaries, and on a best effort basis to the affiliates.

(a) Each Operating Company (hereinafter OPCO) has practices or internal local provisions regarding the remuneration which
    - are in line with the strategy, the risk tolerance, the yearly targets, KPI's values and long term interests of the OPCO and Ageas
    - are coherent with the principles regarding protection of clients and investors
    - include measures avoiding conflicts of interests
    - are compliant with the international and local regulations
    - are established in writing in order to enable an appropriate control
    - are disclosed to each staff member.

(b) In line with Ageas' diversity policy the Remuneration policy will be applied fairly ensuring that equal opportunities are given to all employees regardless of age, gender, race, beliefs, (dis)ability or any other difference.

(c) Each OPCO has a Performance Management system coherent with the Ageas Performance Management system, which provides for:

- the setting of annual business targets
- the setting of annual individual targets agreed upon between the individual and her/his line management
- an annual appraisal of job fulfilment and targets

(d) To the extent possible without undesired cost increase, the remuneration shall tend towards the Ageas Reward Structure

- Remuneration shall include an adequate fixed (base salary + benefits) component, and as of Managers, a Short Term Variable Income (STI).
- The fixed component of the Remuneration has to represent a sufficiently high proportion of the total remuneration to avoid the staff member being overly dependent on the variable components and to allow the company to operate a fully flexible bonus policy, including the possibility of paying no variable component.
- The variable component of the remuneration shall be capped to a maximum amount (e.g. a percentage of the base remuneration of the previous year, which shall not exceed 100 %).
    - When performance is appraised, an assessment of actual and future risks will be made and an adjustment will be made in the event that performance is not sustainable. The company must have the possibility to effectively apply its remuneration policy (in particular not pay part or any variable remuneration when the performance criteria are not met or its financial position is seriously impacted).
    - The variable remuneration will be partly deferred when it is of significant size. The payment of the deferred part can be subject to criteria of future performance in this way taking into account the risk taken.
    - Recuperation mechanisms of the variable remuneration are established in case of fraud or errors in the data determining the variable remuneration.

(e) Severance payments are based on contractual terms and conditions and cannot reward failure.

(f) Any substantive structural changes of the remuneration structure shall be subject to a formal assessment by Ageas Group HR Director prior to being presented to Management Committees or Boards.

4.2 Ageas Reward Structure

(a) General

- The remuneration package is composed out of the following building blocks, being understood that certain elements may be restricted to certain determined functions or management functions:
    - Fixed remuneration
        - Base compensation
        - Fringe benefits, health care plan and disability coverage.
    - Variable remuneration
        - Short-Term Incentive or STI
        - Long-Term Incentive or LTI
    - A Defined Contribution pension plan

(b) Fixed remuneration

- Fixed remuneration consists of a base compensation and fringe benefits such as health care, death and disability coverage.

- The determination and evolution of the base remuneration is based on the following principles:

    - **Weight of the function/role**: The determination of the base remuneration is based on the weight of the function. This weight is based on an objective grading of the function or role according a validated framework of an external provider (Hay, Willis Towers Watson, Hudson)
    - **Salary broadband**: For each grade a target salary and a broadband is determined around this target. The salary broad bands are defined at country level in line with local market practice. (See below for market positioning).
    - **Competitive market positioning**: The target salary will be positioned on the median of the chosen and pre-defined market benchmark. Exceptions to the median positioning can be made for specific functions or in specific market conditions (e.g. need for competitive edge for new markets). These exceptions are the authority of the (local) Board on recommendation of the Remuneration Committee
    - **Base remuneration evolution**: Evolution within a salary broadband is conducted by the merit increase matrix, which is based on the fulfilment in the job and behavioural indicators.
    - **Salary broadband evolution:** Growth from one broadband to another is possible when the jobholder takes a function with a more important weight or when he acquires additional responsibilities within his function resulting in a higher weight.
    - **Market allowances**: In specific market circumstances (e.g. shortage of profiles due to large market-wide projects) it can be required to exceed the salary broadband for certain functions. Market Allowances should be "conditional", e.g. limited in time or linked to the period that the jobholder keeps the same job or stays in the same job family. As market conditions evolve over time, Market Allowances need to have a periodic character by nature.

- **Fringe benefits** include health insurance plans, death and disability coverage and other benefits. These benefits are developed according local regulation and local market practice.

(c) Variable remuneration

- Variable remuneration consists of a one-year variable remuneration or Short-Term Incentive (STI) and can as of senior management level also include a multi – year variable or Long-Term Incentive (LTI) which takes the form of a Share- linked incentive plan.

- The **STI**, if any, shall be based on pre-defined and measurable Key Performances Indicators (KPI's) fixed on different business levels, observing the following principles:

    - **Pre-defined and measurable KPI's:**
        - Short term variable income should be based on the achievement of clearly defined KPI's.
        - The choice of the KPI's and the determination of the targets has to be in line with the overall strategy of Ageas and the business OPCO concerned and has to integrate risk control components**.**

- **KPI's and targets on different business levels.**
  - KPI's and targets are determined at the level of Ageas, the local business and the individual.
  - The individual targets shall include non-financial criteria next to financial criteria.
  - The calculated variable income is based on the individual performance compared with up-front set objectives, the business performance in view of the pre- agreed KPI's, and the Ageas performance in view of the pre- agreed KPI's.
  - The weight of the Ageas component should be considerate at the level of Executive management and senior management final responsible for the overall achievement of the Ageas strategy.
  - For senior management (HB 22 and +) the recommended distribution is: Ageas 20% - Business 30% - Individual 50%. On levels below senior management the Ageas component and business component can be lower and can even be reduced to 0%.

- **Performance Appraisal**
  - The assessment of the achievement of the Ageas, business and individual targets should be clear, transparent and fair, and contribute to the overall achievement of the strategic ambitions of the company.
  - The performance process is driven on the level of each entity but according to the following common guiding scale:

Score	Appraisal	Short Term Variable Income [1]
1	Clearly below target	0%
2	Below target	50%
3	Almost on target	75%
4	**On target**	**100%**
5	Above target	125%
6	Clearly above target	150%
7	Exceptional	200%

  - If a different scale is in use in a local entity, there needs to be a clear agreement with Group HR on how this will link into the Ageas scale
  - Ageas and Business performance scores are calibrated at MCO level and decided by the Board on proposal of the joint Remuneration and Corporate Governance Committee
  - Individual score is the responsibility of the manager. Calibration meetings are to be set-up to assure budget and equal treatment.

- The grant of a STI, even during a certain period or multiple periods, consecutive or not, shall **not create any acquired rights** to an equivalent amount of STI for the future.

- **Deferral**
  - Considering the nature, extent and complexity of the risks inherent in Ageas' model and activities, if the STI amount is less than EUR 75.000 gross, in accordance with the application of the principle of proportionality, no deferral shall apply.

[1] A score of 1 on the individual component leads to a 0% grant of the STI on all components, a score of 2 on the individual component reduces the scores for the Ageas and business component to a maximum on target.

- In case the STI- amount is higher than EUR 75.000 gross, the payment shall be deferred over a period of 3 years and is paid out as follows:
  - Year N+1: € 75,000 + ((performance bonus - € 75,000)/2)
  - Year N+2: (performance bonus – bonus paid in year N+1)/2
  - Year N+3: (performance bonus – bonus paid in year N+1)/2

- The **long term incentive (LTI),** if any, shall be linked to long-term value creation and aims alignment with shareholders' interests

  - The existence or continuation of long term incentive plans is to be confirmed annually by the Board of Directors.
  - The participation in a long term incentive plan depends on
    - the position and performance of the individual
    - the country of activity (for complexity reasons)
    - the ownership of the legal employer (majority ownership required)
  - Long term incentive plans include a longer term performance period and will only vest if pre-agreed long term performance criteria are met.
  - As long term incentive plans support retention, vesting will be conditional on continued employment.
  - Risk Control components are included in the LTI through the vesting period and for certain plans a blocking period (excessive risk taken to be reflected ultimately in the share price and its performance compared with peers).
  - The LTI for senior management takes the form of a share linked incentive plan and is entirely cash- based.

(d) Pension plans.

- As an insurance group Ageas will provide an appropriate Pension plan.
- For pension plans, newly developed plans will take the format of a DC plan.
- Pension plans will be developed according local regulation and local market practice.

5. PRINCIPLES GOVERNING THE REMUNERATION OF *IDENTIFIED STAFF*

5.1 General

(a) **'Identified staff'** consist of the administrative, management or supervisory body and persons who effectively run the undertaking, persons who have other key functions and staff whose professional activities have a material impact on Ageas's risk profile. More in particular this concerns:

- Members of the Board of Directors;
- Members of the Executive Committee and of the Management Committee;
- The Heads of the Independent Control Functions (audit, risk, compliance and chief actuary);
- Other identified staff being any other staff member whose activities have a material impact on Ageas's risk profile (hereinafter referred to as 'other identified staff ')

(b) The remuneration of the staff members belonging to the "Identified Staff" as defined above shall be **governed by the following general principles**, to be completed with the specific provisions of the other sections:

- The total remuneration of the Identified Staff balances fixed and variable components with a clearly fixed maximum. The fixed component is sufficient in order to not have to rely on the variable component to earn an adequate remuneration.

- After discussion and evaluation at relevant business unit and company level, variable remuneration of the Identified Staff will be determined based on performance, taking into account both financial and non-financial criteria.
- The variable portion will reflect the performance of the Identified Staff, the business unit concerned and the Group (Ageas), in relation to longer-term objectives and the strategy of the company. Individual performance will be assessed based on quantitative as well as qualitative criteria. When performance is appraised, an assessment of actual and future risks will be made and an adjustment will be made in the event that performance is not sustained. Ageas and business KPIs are defined, with risk management factors embedded in the indicators.
- The measurement of performance, as a basis for variable remuneration, shall include a downwards adjustment for exposure to current and future risks. The Variable remuneration, including the possibly deferred part, shall be only paid or only acquired if the amount is acceptable for Ageas and if it is justified based on the performances of Ageas, of the business unit to which the Identified Staff belongs and of the Identified Staff him/herself.
- The payment of a substantial portion of the variable remuneration, irrespective of the form in which it is to be paid, shall contain a deferred component that takes account of the nature and time horizon of the company's business: that deferral period shall not be less than three years and the period shall be correctly aligned with the nature of the business, its risks, and the activities of the Identified Staff in question. The LTI is deferred in its entirety and is re-assessed before vesting subject to the plan rules.
- Identified Staff shall commit to not using any personal hedging strategies or remuneration and liability-related insurance which would undermine the risk alignment effects embedded in their remuneration arrangement.
- The variable part of remuneration of the Independent Control Functions shall be independent from the performance of the operational units and areas that are submitted to their control. For the Independent Control Functions and the DPO, with the exception of the CRO[2] the business targets will be replaced by specific second and third line, non-financial KPI's and targets.
- Remuneration arrangements with service providers (including outsourcing) shall not encourage risk-taking that is excessive in view of the Company's Risk Appetite policy. These arrangements should also include measures avoiding conflicts of interest.
- The Board of directors shall include provisions that would enable the company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law.
- Recuperation mechanisms of the variable remuneration (up to possibly 100%) might be applied, during a period of 3 years as of the payment or acquisition of the Variable remuneration, at least in case of fraud of the Identified Staff or errors in the establishment of data determining the variable remuneration.
- Severance payments are based on contractual conditions and will not be paid in the event of failure.

5.2 Non-Executive Directors.

- The amount and structure of the remuneration of Non-Executive Directors shall comply with the following principles:
  - It is determined by the shareholders of Ageas at the General Meeting of Shareholders, based on detailed propositions formulated by the RC;

[2] For the CRO STI – targets are based on Ageas KPI's (40 %), Risk function KPI's (30 %) and individual KPI's (30%)

  - Its levels and structure are determined in view of their general and specific responsibilities and general market practice.
- Per policy terms, Non-Executive Board Members of Ageas receive a fixed fee and an attendance fee, whereas Committee Members only receive attendance fees. The table below gives an overview of the fixed fees and attendance fees applicable for the Ageas Board since 1 January 2018 :

	Board		Committee	
	Chair	Member	Chair	Member
Fixed Fee	€ 120,000	€ 60,000	N/A	N/A
Attendance Fee	€ 2,500	€ 2,000	€ 2,000	€ 1,500

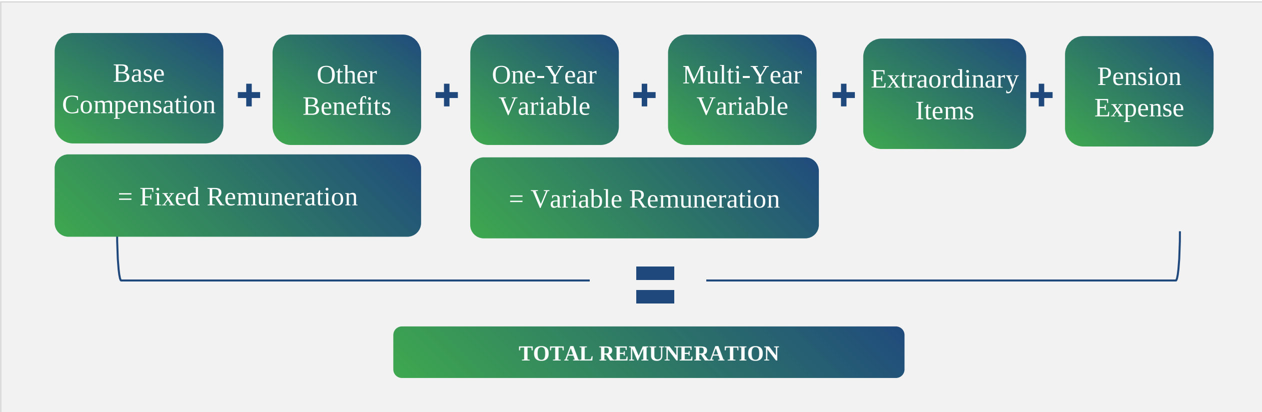
- Non-Executive Board members will receive part of their remuneration in Ageas in the form of Ageas shares and this to a maximum up to 20% of their fixed remuneration. These shares should be held until at least one year after the non-executive board member leaves the Board and at least three years after the moment of award. (applicable as of next increase)
- Non-Executive Board members do not receive any performance-related remuneration such as an annual incentive or stock options.
- The company does not provide any contribution to their pension arrangements.
- Non-Executive Directors will not be entitled to any severance pay.
- The remuneration of the Non-executive Directors representing ageas SA/NV in Ageas Group subsidiaries has been aligned since 1 January 2019 according to the table below:

	Board		Committee	
	Chair	Member	Chair	Member
Fixed Fee	€ 60,000	€ 45,000	N/A	N/A
Attendance Fee	€ 2,500	€ 2,000	€ 2,000	€ 1,500

5.3 Executive Committee (hereinafter "Executive Directors")

- The amount and structure of the remuneration of Executive Directors shall comply with the following principles:
  - It is determined by the Board of Directors, based on detailed propositions formulated by the RC;
  - Its levels and structure are determined per executive position, considering the roles and responsibilities of the position and the experience and performance of the individual, in order to ensure that the company is able to attract, retain and motivate the best people in a competitive marketplace. Its levels and structure shall be competitive, based on a benchmarking analysis of a selected list of relevant competitors.

- The remuneration of Executive Directors consists of the following components which are explained further below.



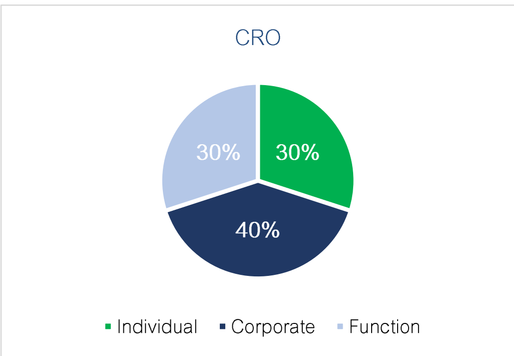
(a) Fixed remuneration

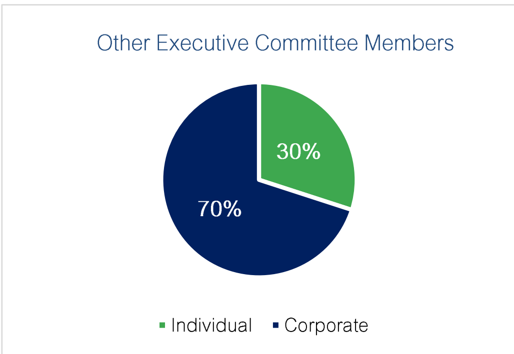
- Fixed remuneration consists of a base compensation and fringe benefits such as health care, death and disability coverage.
- The fixed remuneration shall represent a sufficiently high proportion of total remuneration, enabling Ageas to apply its Remuneration Policy and to refrain from paying out variable remuneration if the performance criteria are not met.
- Base Compensation is reviewed annually and compared with that of other BEL 20 companies and major European-based insurance firms. The objective of Ageas is to position the base compensation of the Executive Directors within a range of 80% to 120% of the chosen median market reference.
- No fixed annual remuneration or attendance fees of any kind will be due to Executive members on the Board of Directors as compensation for sitting on the Board of Directors or attending Board of Directors Committee meetings.
- Executive Directors receive fringe and other benefits in line with Ageas's remuneration policy, including health care, death, disability coverage and a company car.

(b) Variable remuneration

Variable remuneration consist of a One-year variable or Short- Term Incentive (STI) and a Multi-year variable or Long- Term Incentive (LTI).

- The **Short-Term Incentive (STI)** on target is set at 50% of base compensation, with a maximum opportunity (cap) equal to 100% of base compensation.
- The STI is determined by the actual performance on pre-agreed performance criteria or KPIs. Annual performance is assessed against corporate and individual (financial and non-financial) performance criteria for all Executive Directors. For the CRO, there are specific criteria linked to the Risk function. Below graphics illustrate the weight of the different components:





Each of the KPI's is assessed on a scale of 0-200%, where 100% corresponds to the on-target score for that KPI. In cases where an individual underperforms relative to the target (i.e. less than 75% is achieved for an individual target of 100%), the Ageas and business portions will be limited to an "on-target" performance, or even eliminated if the individual performance is less than 50%.

- The amount of STI is paid in cash and is subject to a deferral period of three years, i.e. STI for performance year N is paid out as follows:
  - 50% during N + 1
  - 25% during N + 2
  - 25% during N + 3
- In line with the Remuneration Policy, deferred amounts are subject to the achievement of sustained performance over the deferral period and are therefore subject to upwards or downwards adjustments.
- The Short-Term Incentive Plan includes a claw-back provision.

- **The Long-Term Incentive** on target is set at 45% of base compensation for all Executive Directors, with a maximum opportunity equal to 90% of base compensation.
- The existence or continuation of LTI plans is to be confirmed annually by the Board of directors.
- The LTI is designed, i.e. to encourage and support the creation of shareholder value and ensure that the Executive Directors, like the shareholders, share in the Company's successes and setbacks.
- The number of shares to be granted under this plan is based on the "Ageas Business Score" which is the result of the achievement on the corporate KPI's (please refer to the STI section just above for further details) and is calculated as follows:

AGEAS Business Score	% of Target	% of Base Compensation
<3	0%	0%
3	50%	22.50%
4 (on target)	100%	45%
5	150%	67.50%
6 or 7	200%	90%

- The performance shares vest 3.5 years after grant. The vesting after 3.5 years is subject to a relative total shareholder return (TSR) performance measurement as compared to a peer group. The vesting scheme of the performance shares is shown in the following table:

Percentile TSR Ranking	Vesting %
≥ 75%	200%
≥60%-<75%	150%
≥40%-<60%	100%
≥25%-<40%	50%
<25%	0%

- The following companies, which have a comparable business model and include a number of competitors, constitute the peer group for the 2019 grant:

AEGON NV	KBC GROEP NV
ALLIANZ SE-REG	MAPFRE SA
ASSICURAZIONI GENERALI	NATIONALE NEDERLANDEN
AVIVA PLC	PRUDENTIAL PLC
AXA SA	SAMPO OYJ-A SHS

BALOISE INSURANCE	SWISS LIFE HOLDING AG-REG
BNP PARIBAS	VIENNA INSURANCE GROUP AG
CNP ASSURANCES	ZURICH INSURANCE GROUP AG

- After vesting, the shares will have to be held for an additional 1.5 years (5 years in total as of date of grant). After this blocking period, the beneficiaries may sell the vested shares under certain conditions.

(c) Extraordinary items and pension expenses

- Executive Directors benefit from a **Defined Contribution pension plan**. The pension contribution for Executive Directors is equal to 25% of (base compensation + short term incentive). This plan includes death coverage as well.

- The following specific rules apply in the event of a t**ermination**

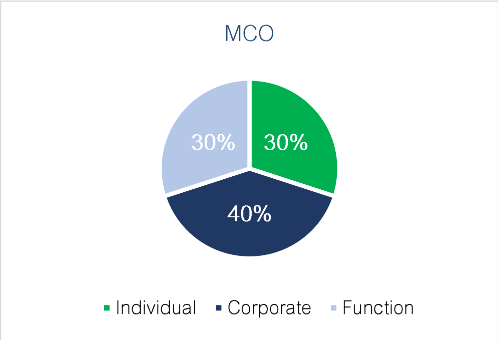
  - Contractual terms and conditions include a severance payment of 12 months' remuneration.
  - As of 1st January 2020, agreements on severance payments with an Executive Director that provides for a severance pay that is higher than 12 months' remuneration shall always be agreed subject to the prior approval of the general assembly. If the severance pay is higher than 18 months of remuneration, the general meeting can only approve it on the basis of a clear and motivated advice from the RC.
  - Variable remuneration will only be due and be paid if the Executive Director is still actively in service of the Company on the payment date (in April of the following year) and has not resigned.
  - In case of termination at own initiative prior to the end of the performance year the variable remuneration is forfeited. If termination at Ageas' initiative (except for fraud or serious misbehaviour)) pro rata variable remuneration for service until the termination date is due.

(d) Shareholding requirement.

- Executive Directors are subject to a shareholding requirement of 100 % of gross base compensation.
- As long as they have not reached or respect this threshold, they will be restricted from selling shares which vest under the LTI-plan (excluding the sale of shares to cover taxes on vesting).
- The valuation of the requirement will happen yearly based on the shareholding by the Executive Director at 31/12.

5.4 Members of the Management Committee.

- Identical guidelines as described above for the Executive Directors apply for the members of Ageas Management Committee with following adjustments:
  - Annual performance for the **STI** is assessed against corporate, business entity and individual (financial and non-financial) performance criteria. Below graphic illustrate the weight of the different components:



- **The Long-Term Incentive** on target is set at 30% of base compensation with a maximum opportunity equal to 60% of base compensation.
- Pension plans are awarded according contractual conditions and local framework, this also applies for severance payments
- The shareholding requirement does not apply.

5.5 Independent Control Functions and the Data Protection officer

- The amount and structure of the remuneration of the Independent Control Functions and the DPO shall comply with the following principles:
  - The base salary reflects the roles and responsibilities of each Independent Control Function. All positions have been weighted according to the Hay Classification System. Each Hay Grade is linked to a broadband salary structure, base remuneration can in range of 80% to 125% around median.
  - The Heads of the Independent Control Function (excluding CRO) and DPO are either Manager (Hay 20) or Senior Manager (Hay 22).
- The Independent Control Functions and the DPO shall be eligible for a Short-Term Incentive (STI), which shall be determined considering the annual scores for individual performance (achievement of targets and objectives), specific second or third line targets and Ageas performance.
- The variable income of the Independent Control Function is independent of the performance of the business entities or areas they control.
- The Board of directors shall include provisions that would enable the company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law.
- The following specific rules apply in the event of a termination
  - Variable remuneration will only be due if the staff member is still actively in service of the Company on the payment date (in April of the following year) and has not resigned.
  - In derogation from this rule, for Independent Control Functions, this must be approved by the Board based on the input from the RC committee and on a proposal submitted by the Managing Director of the employee's unit.

6. TRANSPARENCY ON REMUNERATION REPORT AND POLICY

Each year, the RC submits to the Board of Directors a formal remuneration report, which will be a part of the Corporate Governance Statement, a specific section of the annual report.

This remuneration report contains a summary of the topics discussed during the meetings of the RC, the amount of the remuneration paid and other benefits that were granted directly or indirectly to the members of the Board of Directors and the members of the Executive Committee. This information is subdivided into:

- Fixed remuneration
  - Base compensation
  - Other benefits
- Variable remuneration
  - Short-term incentive
  - Long-term incentive
- Pension Plan
- Severance pay

The requirements on the content of the remuneration report are specified in Article 3:6 of the Companies and Associations Code, currently subject to amendment in order to bring the regime into line with the requirements of the *Shareholder's Rights Directive II*. The information on remuneration shall be published accordingly.

The Chair of the RC comments the remuneration report and presents it for approval at the General Meeting of Shareholders.

This Policy will be presented for approval at the General Meeting of Shareholders at each material change and in any case at least every 4 years.