



# CORPORATE GOVERNANCE CHARTER

Last revised by the Board on 19 February 2019

## CORPORATE GOVERNANCE CHARTER

Good corporate governance is about balancing entrepreneurship with sound control and risk management. This means organising our businesses and activities for growth and long-term sustainable success, while effectively managing the risks that come with that growth.

Good governance is about transparency and leadership but also about the contribution of every employee at all levels of the company. We believe that a strong culture of corporate governance and ethical behaviour is fundamental to the way we do business.

This Corporate Governance Charter describes governance at Ageas. We are confident that creating a clearly defined framework for corporate governance will help us to communicate better with all our stakeholders.

# WHERE TO FIND IT

- INTRODUCTION ..... 3
- PART I ..... 4
  - Vision and mission statement ..... 4
- PART II ..... 6
  - Structure and organisation ..... 6
- PART III ..... 8
  - Shares and shareholders ..... 8
- PART IV ..... 12
  - The board – terms of reference ..... 12
- PART V ..... 22
  - The company’s Board Advisory Committees – standing rules and terms of reference ..... 22
- PART VI ..... 34
  - The Executive Management – terms of reference ..... 34
- PART VII ..... 45
  - External supervision ..... 45
- APPENDICES ..... 49
  - 1. Glossary .....50
  - 2. Board Profile .....54
  - 3. Board Independence Requirements .....55
  - 4. Remuneration Policy For Board Members And Executive Committee Members .....57
  - 5. Principles Of Business Conduct .....65
  - 6. Policy On Private Investments .....72
  - 7. Policy On The Independence Of The External Audit Firm .....74
  - 8. The Group as an Institutional Investor .....79
  - 9. Conflict Of Interest Policy .....80
  - 10. Anti-Bribery Policy .....82
  - 11. Fit and Proper Principles .....84

This Ageas Corporate Governance Charter (hereafter referred to as the “Charter”) is published in English, Dutch and French. In case of any discrepancy between these versions, the English version shall prevail. Capitalised terms have the meaning set forth in Appendix 1.



# INTRODUCTION

Ageas is an international insurance group with a balanced portfolio of companies in mature as well as in growing markets. Its parent company is ageas SA/NV (hereafter referred to as ageas SA/NV or “The Company”), a public limited liability company (société anonyme / naamloze vennootschap) set up under Belgian law and listed on Euronext Brussels. ageas SA/NV is subject to the Belgian Code of Companies. As well as complying with any legislation and regulation applicable to it, the board of directors of ageas SA/NV is committed to high standards of corporate governance. In particular, aside from any possible derogation as permitted and duly justified, ageas SA/NV applies the 2009 Belgian Code on Corporate Governance (hereafter referred to as the “2009 Code”)<sup>1</sup>.

With respect to the above, the Board has produced the present Corporate Governance Charter (hereafter referred to as “the Charter”) as a comprehensive and basic reference on Ageas’s governance<sup>2</sup>. This Charter also includes appendices relating to key Ageas policies<sup>3</sup>.

The Charter covers the following topics:

- Part I : Vision and Mission Statement
- Part II : Structure and Organisation
- Part III : Shares and Shareholders
- Part IV : Board
- Part V : Board Advisory Committees
- Part VI : Executive Management
- Part VII : External Supervision

Good corporate governance means that a company maintains the flexibility to adapt its structure to altered circumstances, new legislation and other significant events. The Board will therefore regularly, and in any event whenever circumstances so require, review this Charter and make any such changes as it deems appropriate. Important amendments will be explained by the Board at the General Meeting of Shareholders (hereafter referred to as the “General Meeting”) following adoption by the Board of the revised version of the Charter. The Charter is published, together with the Articles of Association, on the Ageas website ([www.ageas.com](http://www.ageas.com)).

- 
- 1 Any parts of this code which would not be applicable will, as the case may be, be indicated in the Annual Report together with the reason(s) justifying any possible derogation, in accordance with Article 96 §2, 2° of the Belgian Code of Companies.
  - 2 For the avoidance of doubt, this Corporate Governance Charter constitutes a “Corporate Governance Charter” as referred to in provision 1.1 and appendix F 9.1/1 of the 2009 Code. The factual disclosures on Ageas’s governance in the Annual Report constitute the “Corporate Governance Statement” as referred to in provision 9.3/1 of the 2009 Code.
  - 3 Unless otherwise specified, any reference to Ageas includes ageas SA/NV as the parent company of Ageas and all its direct and indirect subsidiaries (hereafter referred to as “the Subsidiaries”). In joint ventures where Ageas does not control the affiliate, the policy of the majority shareholder is applicable, provided that, ideally, it complies with the standards laid down in this Charter.

ageas.



# PART I

VISION AND MISSION STATEMENT



## ■ PART I ■

### VISION AND MISSION STATEMENT

#### I.1. WHO WE ARE AND WHAT WE DO<sup>4</sup>

Ageas is an international insurance group with a balanced portfolio of companies in mature as well as in growing markets. As an international provider of insurance providing solutions to private, business and institutional customers, Ageas delivers a total package of both life and non-life insurance products and services through a variety of distribution channels.

Ageas's activities are geographically focused on Europe and Asia, which represent a large portion of the world insurance market and where Ageas enjoys strong market positions.

Ageas capitalises on its strong market position in the stable and cash-generative core markets. In parallel, it uses its recognised expertise, flexibility and partnership skills to grow further in a focused number of markets in Europe and Asia, primarily through partnerships with leading distributors. Ageas thereby aims to maintain an appropriate balance between profitability in mature markets and value creation in growth markets. Ageas strongly believes that these characteristics and sound management provide the necessary basis for sustainable development as a quality service and multichannel insurance provider.

ageas SA/NV shares are listed on Euronext Brussels and ageas SA/NV has a sponsored ADR Program in the United States.

#### I.2. VISION AND MISSION

In a more complex yet more convergent world, innovation, speed and agility will be as crucial as scale, track record and reach. Ageas will stand out as a professional international insurance services provider, recognised for its ability to deliver superior and sustainable stakeholder value by constantly anticipating and exceeding the needs of customers, investors, employees, partners and communities wherever we do business.

#### I.3. OBJECTIVES AND STAKEHOLDERS

As a listed company our primary objective is to create sustainable economic value for our shareholders. We can achieve this only if we serve the interests of all our stakeholders. The most important thing is that we meet – or rather exceed – the expectations of our customers. In so doing we will benefit all those who profit from the success of our company, including our employees, intermediaries, suppliers and the communities that we are a part of.

We have to live up to our promises at all times, being solid, trustworthy partners who offer flexible solutions to our customers. People judge us by what we do, rather than by what we claim to be. The highest degree of integrity is therefore expected from us all.

---

4 Descriptive parts of this current chapter reflect Ageas's factual situation at the time of the adoption by the Board of the current version of this Charter, without prejudice to any possible change of such situation and without any amendment of the Charter being a prerequisite for any such change.

# PART II

STRUCTURE AND ORGANISATION



## II.1. GOVERNANCE STRUCTURE

The company ageas SA/NV is incorporated in Belgium, with its registered office at Rue du Marquis/Markiesstraat 1, Brussels. It has a board of directors, (hereafter referred to as “the Board”), with a number of advisory committees (hereafter referred to as “the Board Advisory Committees”), namely a Remuneration Committee, a Corporate Governance Committee, an Audit Committee and a Risk & Capital Committee.

An Executive Committee as referred to in article 524bis of the Code of Companies has been set up (hereafter “the Executive Committee”). The Executive Committee is exclusively composed of members of the Board and is chaired by the Chief Executive Officer (the CEO). Apart from the CEO, the Executive Committee members are the Chief Financial Officer (CFO), the Chief Risk Officer (CRO) and the Chief Operating Officer (COO).

Apart from the Executive Committee, a Management Committee, which has an advisory role to the Executive Committee, has been set up. The Executive Committee and the Management Committee are jointly referred to as the Executive Management.

The governance structure is completed by transversal control functions regarding compliance, internal audit, risk management and actuary.

## II.2 GROUP STRUCTURE

ageas SA/NV is the controlling shareholder of operating companies and service companies, either directly or indirectly through sub-holding companies. The legal structure of Ageas can be viewed on the Ageas website (<https://www.ageas.com/en/about-us/legal-structure>). Each of the subsidiaries has its own corporate governance structure, the characteristics of which take into account the needs of Ageas, subject to the legal and regulatory requirements of the country in which these companies are incorporated.

Ageas’s main assets are:

- a 75% stake in AG Insurance;
- Ageas’s international insurance activities based in the UK, Continental Europe and Asia via fully-owned subsidiaries or via joint ventures; and
- financial assets and liabilities of various financing vehicles.

# PART III

SHARES AND SHAREHOLDERS



## III.1. CAPITAL AND SHARES

### III.1.1. The Articles of Association of ageas SA/NV (AoA)

These are referred as the AoA (as available on Ageas' website <https://ageas.com/en/text/articles-association-ageas-sanv>) to the extent that they relate to the share capital and to the shares issued by ageas SA/NV (see in particular Articles 5 to 9 of the AoA).

### III.1.2. Notification of ageas SA/NV Share Ownership

Shareholders must notify the Company as well as the Financial Services and Markets Authority when their shareholding exceeds or drops below the thresholds of 3% or 5% of the voting rights or any multiple of 5%. ageas SA/NV publishes such information on its website.

Shareholders must amongst other things notify the National Bank of Belgium when their shareholding reaches or exceeds the thresholds of 5% or when it exceeds or drops below a qualified participation. The National Bank of Belgium may oppose any such acquisition or reduction in a qualified participation.

## III.2. SHAREHOLDER DIALOGUE

ageas SA/NV publishes all information relevant to shareholders and stakeholders – such as the agendas of any General Meeting, the periodic financial statements and annual financial figures, and presentations to financial analysts – on a dedicated website ([www.ageas.com/en/investors/reporting-centre](http://www.ageas.com/en/investors/reporting-centre)). ageas SA/NV encourages its shareholders to make well-considered use of their voting rights and to attend the General Meetings whenever appropriate and practicable, and makes every effort to facilitate this objective Dialogue with shareholders is conducted primarily through the investor relations department, which holds information meetings for financial analysts and institutional and retail investors on a regular basis. The main objective of such bilateral contacts is to explain Ageas's strategy and operational performance and to answer questions from shareholders. Any explanations and discussions shall be based on information which has already been publicly disclosed. Bilateral contact with respect to the financials does not take place during closed periods.

### III.3. GENERAL MEETINGS OF SHAREHOLDERS

#### III.3.1. Dates and Places

The Ordinary General Meeting of ageas SA/NV is held every year, as set out in the AoA (Article 15). Extraordinary General Meetings may be convened as often as the Board deems necessary. Additionally shareholders representing at least 10% of the issued capital may request that an Extraordinary General Meeting be convened, in accordance with Article 16 of the AoA.

#### III.3.2. Topics

Those items submitted to a General Meeting (for decision, discussion or information depending on the matter) include those referred to in the AoA (Article 15), as well as those related to its legal competences.

Shareholders who individually or jointly hold at least 1% of the share capital, or shares with a stock exchange value amounting to EUR 50 million at the time of the request, may propose items to be included in the agenda of any General Meeting, in accordance with Articles 15 and 16 of the AoA.

#### III.3.3. Convening and agendas of General Meetings

In addition to any other publication required by the Belgian Code of Companies, any other applicable regulation, and by the AoA (Article 17), agendas and explanatory notes are published on the Company's website and can also be consulted by shareholders at the Company's registered office.

#### III.3.4. Record date and Proxies

A shareholder is entitled to attend any General Meeting, in accordance with Article 18 of the AoA.

#### III.3.5. Procedure

##### Chairmanship

The General Meetings are chaired by the Chairman of the Board (hereafter referred to as "the Chairman") or, in his/her absence, by another Board Member appointed by the Board. The Chairman conducts the meeting in accordance with the usual practice for general meetings of shareholders in Belgium.

##### External auditor

The external auditor attends the General Meetings and answers questions that may be addressed to him/her, in accordance with Articles 538 and 540 of the Code of Companies.

## ■ PART III ■

### SHARES AND SHAREHOLDERS

#### **Votes**

Pursuant to the Code of Companies (Article 541), each share admitted to a General Meeting confers the right to cast one vote.

#### **Minutes**

The minutes of all General Meetings are made available in accordance with Article 546 of the Code of Companies.

ageas.



# PART IV

THE BOARD – TERMS OF REFERENCE



## IV.1. ROLES, RESPONSIBILITIES AND AUTHORITY

### IV.1.1. Roles and Responsibilities

Pursuant to Article 12 of the AoA, the Board determines general policy for ageas SA/NV and Ageas (hereafter referred to as “the General Policy”) and provides them with strategic direction. In this respect the Board is the ultimate decision-making body of ageas SA/NV, without prejudice to the competences of the General Meeting as provided for by the Belgian Code of Companies. The Board also monitors and supervises the Executive Committee, as well as the exercise by the latter of its powers and competences as delegated to it in accordance with the Law regarding the control of insurance enterprises (hereafter referred to as “the Law”) and the AoA. The Board determines and organises the conditions of such supervision and ensures that, in all respects, the Executive Committee acts in full accordance with the General Policy. Moreover, the Board exercises all the competences that it retains in accordance with the aforementioned legal provision.

Within the scope of its powers and competences as referred to above, the basic aim underlying decision-making by the Board is to perpetuate a successful insurance business. The Board believes that this primarily involves focusing on long-term financial returns, while remaining sensitive to the interests of the stakeholders who are essential to a successful business- Ageas’s customers, its shareholders, its employees and the communities in which the Group operates.

Within the same scope, the key responsibilities of the Board include:

- Determining the Ageas strategy and risk appetite, based on a solid understanding of the strategic challenges and related risks facing Ageas and its businesses. The Board’s primary strategic focus is on business development, financial, asset and liability and risk policies, and on ensuring that Ageas has the resources and the leadership in place that are most suited to accomplishing its strategic goals. In the context of the latter, the Board pays appropriate attention to remuneration policies, and the way they favour the avoidance of excessive risk;
- Defining Ageas values, policies and standards that guide how strategic goals are to be met, including relevant aspects of corporate social responsibility;
- Approving appropriate frameworks for risk management and control, including appropriate processes for conducting business in compliance with legislation, regulations and internal policies, as well as procedures established by the Executive Committee, and reviewing the implementation thereof;
- Supervising the performance of the external auditor and of the internal audit;
- Monitoring and evaluating the performance of Ageas against strategic goals, plans, risk profile and budgets;

## ■ PART IV ■

### THE BOARD – TERMS OF REFERENCE

- Ensuring that all necessary measures are taken to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information;
- Maintaining continuous interaction and dialogue and a climate of respect and trust with the Executive Managers. In this context, the Chairman represents the Board and the CEO represents the Executive Managers.
- Deciding on corporate governance matters such as:
  - decisions on proposals to be submitted to the General Meeting for decision, discussion or information as the case may be;
  - decisions regarding the contents of the Charter;
  - decisions relating to the governance of Ageas such as decisions relating to the appointment of the Chairman, the Deputy Chairman, the CEO and the other members of the Executive Committee; the members of the Management Committee and transversal control functions;
  - decisions on the composition and determination of the responsibilities of the Board Advisory Committees;
  - decisions on the composition of the Executive Committee, the conditions under which the members of the Executive Committee are appointed and dismissed, their compensation, the duration of their assignment and any other aspects of their status as the case may be, as well as the functioning conditions of the Executive Committee, its competences and powers, as well as the modalities and conditions of their exercise, without prejudice to any legal provision from which it cannot be derogated;
- review of the performance of the CEO and of the other Executive managers;

Major business - related decisions, such as:

- approval of business plans and budgets of Ageas's business units and of Ageas as a whole;
- approval of Ageas's accounting principles and of the principles for disclosure of financial information;
- approval, taking into account any relevant element of the General Policy, of the entering into, revision or termination of any alliances, spin-offs or mergers, business acquisitions and divestitures, involving the undertaking of ageas SA/NV or Ageas and/or involving an amount exceeding EUR 25 million.

At least once a year the Board discusses the corporate strategy and the main risks of the business, the results of the Executive Committee's assessment, and the design and operating effectiveness of the internal risk and control systems, as well as any significant changes thereto.

ageas.



## ■ PART IV ■

### THE BOARD – TERMS OF REFERENCE

#### **IV.1.3. Authority**

The Board has the authority and the duty to use adequate, necessary and proportional means in order to fulfil its responsibilities. The Board as a whole is collectively accountable to the Company for adequately exercising its authority, powers and duties. Individual Board Members have access to independent professional advice at the Company's expense where they deem it necessary to discharge their responsibilities as Board Members, and after consultation with the Chairman.

The Company is duly represented by (a) the Chairman and the CEO acting together, or (b) a Non-Executive and an Executive Board Member acting together or (c) the CEO for all matters relating to day-to-day management and, in addition, for specific matters as determined by, and within the limits set, by the Board. Except otherwise provided by the Board, the CEO has the right to sub-delegate these specific powers.

Without prejudice to any legal or regulatory restriction, Board Members may be appointed to the boards of directors of any ageas SA/NV subsidiaries, in order to increase the Board's knowledge and awareness of the issues in the most important operating companies.

## IV.2. COMPOSITION

### IV.2.1. Size

The Board may comprise up to 14 members (hereafter referred to as “The Board Members”), but the actual number may vary according to the needs of ageas SA/NV. It has a majority of Non-Executive and independent Board Members (hereafter “Non-Executive Board Members”). Any Board Member who is a member of the Executive Committee is an “Executive Board Member”.

### IV.2.2. Membership Criteria

When proposing nominees to the General Meeting, the Board applies the following principles:

- to nominate each Board Member on the basis of his/her particular knowledge and/or experience, with a view to ensuring that the Board as a whole has the competences and qualifications required to fulfil its responsibilities. The Board Profile is attached in Appendix 2;
- to ensure that a majority of Board Members are independent, according to the independence criteria attached in Appendix 3;
- to ensure that each Board Member is available to the extent required to fulfil his/her duties as a Board Member;
- to ensure that each Board Member meets the standards of expertise and professional integrity as set out in Ageas’s Fit and Proper Policy.

In light of the above, potential and existing Board Members must provide the Chairman with all the information required to evaluate their compliance with membership criteria, both at the time of their appointment and prior to any envisaged material change that could possibly affect such compliance.

Requirements regarding independence, competences and qualifications are formulated and reviewed from time to time by the Board, based on a proposal by the Chairman supported by the Corporate Governance Committee and in line with regulatory requirements in this respect<sup>5</sup>.

Without prejudice the Law:

- Non-Executive Board Members are allowed to serve on the boards of other listed companies outside the group, and to take up other engagements or commitments, provided those commitments do not create actual or potential material conflicts of interest, do not interfere with the Board Member’s ability to fulfil his/her duties as a Board Member and that the total number of board memberships of listed companies does not exceed five.
- Executive Board Members are prohibited from occupying a position as a board member, be it executive or non-executive, in any listed company other than the Company. In accordance with the Comply-or-Explain Principle, the Board may grant exceptions to this rule. Without prejudice to the same principle, the Board will not allow the number of board memberships at other listed companies to exceed two.

---

5 More particularly with regard to the NBB circular on 2013\_02 of 17 June 2013 on the Standards on expertise and professional integrity for management committee members, directors, heads of independent control functions and senior managers of financial institutions.

## ■ PART IV ■

### THE BOARD – TERMS OF REFERENCE

#### **IV.2.3. Appointments**

The Board handles the process of appointments and re-elections of its members as part of its overall orderly succession planning, so as to maintain an appropriate balance of skills and experience on the Board.

It submits its proposals regarding the appointment or re-election of Board Members, supported by a recommendation by the Corporate Governance Committee, to the shareholders.

The General Meeting elects the Board Members of its choice by a majority of votes cast. In the event of a Board Member leaving before the end of his/her term, the remaining Board Members may appoint a new Board Member, such appointment being confirmed by the General Meeting at its next meeting.

#### **IV.2.4. Performance Appraisal**

The Board annually reviews and assesses its own performance, as well as the effectiveness of the governance structure, including the number of Board Committees and their respective roles and responsibilities. The performance of individual Board Members is assessed regularly as part of the re-election procedure, and also for Executive Board Members as part of the procedure for determining the performance-linked part of their remuneration.

#### **IV.2.5. Terms of Office**

Appointments of Board Members, or renewals of their directorship, are for terms of a maximum of four years. Any reference made through this Charter and its Appendices to the notion of appointment includes a reference to nomination as well as any directorship renewals.

#### **IV.2.6. Retirement**

There is no specific retirement age for the Board Members but the Board subscribes to the principle of a diverse composition in terms of age.

#### **IV.2.7. Remuneration**

For Non-Executive Board Members, remuneration takes the form of fees determined in accordance with legal requirements and the Remuneration Policy in Appendix 4. Non-Executive Board Members may also receive remuneration from the subsidiaries or entities in which ageas SA/NV holds directly or indirectly a participation where they hold a board position. Remuneration paid by Ageas to its Board Members is disclosed for each Board Member individually in the Annual Report, including the remuneration received from any subsidiary. For Executive Board Members, Board membership as such is not remunerated. Executive Board Members receive remuneration linked to the executive functions they perform within Ageas, determined in accordance with the Remuneration Policy in Appendix 4.

### IV.3. BOARD LEADERSHIP

The Board appoints a Chairman and a Deputy Chairman (hereafter referred to as “The Deputy Chairman”) from amongst its Non-Executive Board Members. The Chairman is responsible for taking the lead, supported by the Board Advisory Committees as necessary, in all initiatives that are designed to ensure that the Board functions effectively and in line with the present Terms of Reference.

In particular, the Chairman:

- monitors whether Ageas’s governance, including its legal structure, is appropriate for accommodating the needs of Ageas, and proposes changes to the Board when necessary;
- takes the initiative on and, supported by the Corporate Governance Committee, leads the processes that govern:
  - the formulation of requirements relating to the independence, competence and qualifications of Board Members;
  - the appointment or re-election of members of the Board and of the Board Committees, linked to Board succession planning and to the performance appraisal of Non-Executive Board Members;
  - the assessment of the effectiveness of the Board as a whole and of the Board Committees; and
  - the appointment or removal, performance evaluation and remuneration of the CEO and of the other Executive Committee members and/or of the Management Committee members.
- ensures that the Board operates efficiently and effectively, including by:
  - taking the necessary measures to develop a climate of trust within the Board, contributing to open discussion, constructive dissent and support for the Board’s decisions;
  - setting the agenda of the Board meetings, after consultation with the CEO and ensuring that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed;
  - ensuring that Board Members receive accurate, timely and clear information before the meetings and between meetings;
  - ensuring that new Board Members follow an appropriate orientation programme, tailored to their individual needs.
- in the context of the monitoring and supervisory functions of the Board that the Chairman represents in this respect, and without prejudice to the powers and competences of the Executive Committee, reviews with the CEO from the outset major projects related to mergers, acquisitions, divestitures, and/or other major transactions;
- chairs the General Meeting and ensures that it is conducted efficiently; and

without prejudice to the powers and competences of the Executive Committee, represents and safeguards, in consultation with the CEO, the interests of Ageas, as part of the monitoring and supervisory functions of the Board that the Chairman represents in this respect, by maintaining contact with external constituencies and participating in external policy forums. The Deputy Chairman replaces the Chairman when the latter is absent. The Deputy Chairman is also the contact person for individual Board Members in respect of the Chairman’s performance appraisal.

## IV.4. STRUCTURE AND ORGANISATION

### IV.4.1. Board Meetings

Board meetings are held as laid down by the AoA. In principle the Board holds eight scheduled meetings every year. Additional meetings may be called with appropriate notice at any time to address the specific needs of the business. Board Members are expected to devote the required amount of time to fulfilling their responsibilities and to regularly attend Board meetings. As a rule, they attend Board meetings in person. Presentations to the Board are generally made by members of the Executive Committee. The Board operates on a collegiate basis and its decisions are normally taken by consensus of its members. A decision taken by consensus is regarded as a unanimous decision. In the absence of any such consensus, a decision is adopted as laid down in the AoA.

The external auditor may attend the meeting of the Board at which the report of the external auditor with respect to the audit of the financial statements is discussed and at which the financial statements are to be approved or adopted.

### IV.4.2. Executive Committee and Board Advisory Committees

In order to fulfil its role and responsibilities efficiently, the Board has set up, apart from the Executive Committee, the Remuneration Committee, the Corporate Governance Committee, the Audit Committee and the Risk and Capital Committee. The existence of the Executive Committee and of these Board Advisory Committees does not affect the ability of the Board to set up further ad hoc committees to deal with specific matters should the need arise, without prejudice to the powers and competences of the Executive Committee.

### IV.4.3. Company Secretary

The Board appoints a Company Secretary (hereafter referred to as “The Company Secretary”), who assists and advises the Board, the Chairman, the Chairs of the Board Committees (hereafter “The Chair(s)”) and all Board Members in the performance of their general and specific roles and duties.

The core responsibilities of the Company Secretary include:

- ensuring that the Company’s corporate bodies comply with requirements under the law, the Articles of Association and internal rules and procedures, including those laid down in this Corporate Governance Charter;
- advising the Board on all governance matters, thus promoting the ongoing development of the Company’s governance, in line with market best practices and the needs of ageas SA/NV;
- organising the General Meetings; and

acting as secretary of the Board and the Board Committees. This entails, among other things, ensuring good information flow within the Board and the Board Committees and between Executive and Non-Executive Board Members, as well as facilitating induction and assisting with professional development as required.

## ■ PART IV ■

### THE BOARD – TERMS OF REFERENCE

The Company Secretary will report regularly to the Board under the direction of the Chairman on all matters relating to his/her core duties. He/she has the authority and the duty to use adequate, necessary and proportional means in order to efficiently fulfil his/her responsibilities.

## IV.5. CONDUCT GUIDANCE

### IV.5.1. Applicability of Ageas's General Conduct Policies

Each Board Member shall adhere to the policies concerning integrity and ethical conduct that also apply to the Executive Management, other managers and employees of Ageas. These policies include the Principles of Business Conduct (see Appendix 5), the Policy on Private Investments (see Appendix 6) and the Conflict of Interest Policy (see Appendix 9).

### IV.5.2. Service Arrangements

Non-Executive Board Members are not permitted, either directly or indirectly, to enter into agreements with Ageas for the provision of paid services (e.g. accounting, consulting, legal services), unless explicitly authorised by the Board. Non-Executive Board Members are requested to consult with the Chairman, who will then decide whether or not to submit a request for exemption to the Board. Any insurance service offered by Ageas to Board Members is granted solely on commercial terms in conformity with prevailing market conditions. The Chairman of the Board is informed in advance of any services that must be disclosed under prevailing legislation and/or regulations.

### IV.5.3. Conflicts of Interest

All Board Members are expected to avoid any action, position or interest that conflicts or appears to conflict with an interest of Ageas. When faced with a potential conflict of interest, Board Members must notify the Chairman promptly. Board Members must abstain from any Board discussion or decision that affects their personal, business or professional interests, subject to legal requirements. Board Members must adhere to the conflict of interest policy, which will be subject to changes from time to time.

### IV.5.4. Interaction with the Executive Management

Any Non-Executive Board Member may contact any Executive Manager other than Executive Board Members, provided that he/she can demonstrate that such contact is justified by operational requirements related to the exercise of his/her mandate in the best interests of ageas SA/NV and/or Ageas. Prior to any such contacts Non-Executive Board Members consult the CEO, who immediately informs the Chairman of the request. Moreover Non-Executive Board Members are requested to use their judgment to ensure that these contacts do not distract the Executive managers from business operations and managerial responsibilities. Any information obtained from the Executive managers in this context must be immediately referred to the Chairman and to the CEO.

## ■ PART IV ■

### THE BOARD – TERMS OF REFERENCE

#### **IV.5.5. Interaction with the Investment Community, Media and Others**

Board Members may participate in communication activities undertaken by Ageas at the request of the Chairman or in consultation with him, or at the request of the CEO. Board Members are expected to support, both in public and in private, the position of the Board with regard to Ageas's strategy, policies and actions.

#### **IV.5.6. Duty of Confidentiality**

To facilitate open discussion in both Board and Committee meetings, Board Members undertake to maintain the confidentiality of information and deliberations, in accordance with legal requirements.

# PART V

THE COMPANY'S BOARD ADVISORY COMMITTEES –  
STANDING RULES AND TERMS OF REFERENCE



## V.1. STANDING RULES APPLICABLE TO ALL BOARD ADVISORY COMMITTEES

### V.1.1. Roles, Responsibilities and Authority

As a general principle, the Board Advisory Committees (also referred to in this Part V as “Board Committees” or “Committees”) have an advisory role for the Board. They assist the Board in specific areas, which they cover in appropriate detail and on which they make recommendations to the Board. Only the Board has the power to take decisions within the scope of its competences and responsibilities. The role and responsibilities of each Board Committee are determined by the Board and laid down in the relevant Terms of Reference in this Charter. The Terms of Reference are reviewed each year by the Committees themselves or at the initiative of the Board and changes are recommended to the Board as required. Each Committee has the authority and the duty to use adequate, necessary and proportionate means (including the authority to select, retain and terminate the mandate of any outside adviser) in order to fulfil its duties, and is accountable to the Board for the proper exercise of these powers and duties. After each meeting, the Committees report to the Board on their activities, conclusions and recommendations.

### V.1.2. Composition

In principle each Committee is composed of Non-Executive Board Members (hereafter referred to as “the Committee Members”), has a minimum of three and a maximum of five Committee Members and, unless otherwise required by applicable law, the majority of the Committee Members satisfy the independence criteria as contained in Appendix 3. The Chairs and other Committee Members are designated by the Board. As a rule the composition of all Board Committees is reviewed every year. The composition may also be reviewed when a Committee Member completes his/her tenure as a Board Member, even if his/her re-election is envisaged.

The designation of Committee Members is based on:

- their specific competences and experience, in addition to the general competence requirements for Board Members; and
- the requirement that each Committee, as a group, possesses the competences and experience needed to perform its tasks.

The Chairman is not a member of the Board Committees, with the exception of the Corporate Governance Committee, which he/she chairs and for which he/she is designated as Chair. The Chairman has a standing invitation to attend the meetings of the other Committees. It is standard practice, but not an obligation, that the Chairs invite members of the Executive Committee to attend Committee meetings. As invitees, the Executive Committee Members do not participate in the voting. They present the topics, answer the questions raised by the Committee Members and make any comments they deem appropriate.

Each Committee assesses its performance at least once a year, and reports on this to the Board. On this occasion it also reviews the required competences, as well as any possible shortcomings and actions to be taken. Furthermore it assesses the need to formally define a specific set of competence requirements applicable to its members and makes recommendations to the Board accordingly.

## ■ PART V ■

### THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

#### V.1.3. Chairmanship

It is the responsibility of the person chairing a Board Committee, supported by the Chairman and where appropriate the CEO, to ensure that the Committee:

- understands its role and responsibilities;
- has all the information and internal or external support it requires to fulfil its tasks properly; and
- fulfils all of its responsibilities in accordance with these Standing Rules and the Committee's Terms of Reference.

#### V.1.4. Meetings

The rules applicable to Board meetings also apply to Committee meetings, taking into account the following:

- for a meeting to be valid, at least half of the members of the Committee must be present. As a rule members attend the Committee meetings in person. The Committee's Chair may, however, allow a Committee member or Committee members to participate by telephone or video conference;
- a Committee member may be represented at the Committee meeting by another Committee member by means of a signed proxy sent by mail or fax. A Committee member may hold no more than one proxy;
- Committees operate on a collegiate basis and their resolutions are normally passed by consensus of their members. If desired, the Chair or another Committee member may submit a debated question to a vote. A decision is then taken by a majority of votes cast by the Committee members present or represented. If an equal number of votes is cast for and against the Committee's Chair will have the casting vote;

minutes are taken at every Committee meeting.

## V.2. TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Standing Rules applicable to all Board Committees, as set out above (see V.1.) apply in full to the Remuneration Committee (RC) as well as, in addition, the specific rules as set out below.

### V.2.1. Role

The role of the RC is to assist the Board in all matters relating to the remuneration of the Board Members, including the Executive Committee members, the Management Committee members and the transversal control functions. To ensure coherence throughout the group the RC makes recommendations to the Board on the implementation of the group remuneration principles in the Ageas management structures

### V.2.2. Responsibilities

The RC makes recommendations to the Board on:

- the policies that govern the remuneration of Executive and Non-Executive Board Members, the other Executive managers and the transversal control functions. The regular review of the remuneration policy for Executive managers takes into account the recommendations given by a leading international firm of remuneration and benefits consultants, which does not provide advice to the Executive managers or to any other managers of the Ageas organisation;
- the remuneration of Executive managers and transversal control functions and its consistency with the remuneration policy;
- the contractual terms upon termination, as well as any payments made to Executive managers in view of their compliance with the remuneration policy and their being fair to the individual and the Company;
- the key features of the stock programmes. In principle, the maximum number of shares to be issued should not exceed 1% of outstanding shares per year.

The RC, together with the CGC, makes recommendations to the Board on:

- the annual objectives and subsequent evaluation of the performance of the CEO, in each case based on a proposal by the Chairman of the Board.
- the annual objectives and the subsequent evaluation of the performance of the other Executive managers, based on a proposal submitted jointly by the Chairman of the Board and the CEO.

Other responsibilities of the RC include making recommendations to the Board on disclosure of the remuneration policy (as attached to this Corporate Governance Charter), the remuneration report (as disclosed in the Annual Report) and the report of the RC, part of the Corporate Governance Statement in the Annual Report, and ensuring that all legal and regulatory disclosure requirements are fulfilled.

## ■ PART V ■

### THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

#### **V.2.3. Membership**

The RC is composed of at least three independent Non-Executive Board Members (hereafter “the RC Members”), of which at least one has experience in human resources matters. No more than one RC Member may be a member of the executive management of another Listed Company. The RC Members, including the Chair, are designated by the Board, following a proposal by the Chairman and after consulting the CGC. The RC may not be chaired by the Chairman, nor by a former Executive Board Member. It is standard practice, but not an obligation, that the Chair invites the members of the Executive Committee, it being understood that no individual is in attendance when matters relating to his/her own remuneration are discussed. The CEO is always present when matters relating to Executive managers are discussed.

#### **V.2.4. Meetings**

The regular meeting schedule of the RC plans for at least three meetings every year. Other meetings may be convened as required, at the request of the Chair or, after consulting the Chair, at the request of the Chairman of the Board, any RC Member or the CEO.

## V.3 TERMS OF REFERENCE OF THE CORPORATE GOVERNANCE COMMITTEE

The Standing Rules applicable to all Board Committees, as set out above, apply in full to the Corporate Governance Committee (CGC), taking into account the specifics that follow. For the avoidance of doubt the CGC acts as the "nomination committee" as referred to in Principle 5.3 of the 2009 Code.

### V.3.1. Role

The role of the CGC is to make recommendations to the Board (i) on all matters relating to the appointment of the members of the Board, of the Executive managers and of the transversal control functions, (ii) on developing a proactive and transparent dialogue with the shareholders, (iii) on ensuring that corporate governance practices are fully compliant with relevant laws and regulations and reflect the importance attached by the Board to the proper fulfilment of their fiduciary tasks, (iv) on the effectiveness of the corporate governance structure, (v) on all legal aspects of the legacy issues related to the former Fortis, and (vi) on any legal issue referred to the CGC by the Chairman and/or the CEO in view of its strategic relevance.

### V.3.2 Responsibilities

With regard to Board, Executive manager and transversal control function appointments, re-elections and removals, the CGC makes recommendations to the Board on:

- the policies and criteria (independence requirements, competences and qualifications) that govern the selection and nomination of Board Members, including changes where needed; in this respect it contributes actively to the taking of responsibility by the Board for appropriate recruitment, assessment and training policy designed, inter alia, to support these assessments and thus draw up appropriate internal rules for the assessment of suitability;
- the appointment, re-election or removal of Board Members and the appointment, renewal or removal of Executive Managers and transversal control functions, particularly, furthermore, on:
  - the process of appointing or re-electing Non-Executive Board Members as initiated and led by the Chairman, who proposes to the CGC candidate(s) for appointment (taking into account applicable policies and criteria determined by the Board) or re-election (taking into account the Board Member's performance appraisal); the CGC considers the Chairman's proposal and makes a recommendation to the Board, which then decides on the appointment or re-election proposals it will submit to the General Meeting for a decision;
  - the re-election and succession process of the Chairman, conducted by the CGC following a procedure determined in consultation with the Chairman;
  - the appointment or removal of the Executive Committee Members. Concerning the CEO, the CGC's recommendation is based on a proposal by the Chairman, while for the appointment or removal of other members of the Executive Management; recommendations are based on a proposal submitted by the CEO, in consultation with the Chairman.

## ■ PART V ■

### THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

With regard to target setting and performance evaluations:

- the CGC makes recommendations to the Board on the evaluation of the performance of the Non-Executive Board Members in the context of their re-election, based on a proposal by the Chairman;
- the CGC, together with the RC, makes recommendations to the Board on:
  - the annual objectives and the subsequent evaluation of the performance of the CEO, in each case based on a proposal by the Chairman.
  - the annual objectives and the subsequent performance evaluation of the other Executive managers, based on a proposal submitted jointly by the Chairman of the Board and the CEO.
- the CGC makes recommendations on the self-assessment process for the Board and Board Committees and oversees its implementation and outcome; it oversees the outcome of the self-assessments of the Executive Committee.

With regard to the dialogue with shareholders the CGC makes recommendations to the Board on the policies that govern the communication between the Company and its shareholders in line with best practices

With regard to Ageas's corporate governance the CGC makes recommendations to the Board on:

- compliance of the corporate governance practices at the level of the Board with relevant laws and regulations and makes sure that these reflect the importance attached by the Board to the proper fulfilment of their fiduciary tasks;
- evaluation of Ageas's corporate governance structure and Corporate Governance Charter.

In addition, the CGC makes recommendations to the Board on:

- conflicts of interest of Board Members and waivers or other actions related thereto;
- the disclosures on governance in the Annual Report and the report on the CGC's activities;
- any other governance related topic as the Board or the Chairman may require.

#### **V.3.3. Membership**

The CGC is chaired by the Chairman acting as the Chair and additionally comprises at least two independent Non-Executive Board Members, designated by the Board based on a proposal by the Chairman. It is standard practice, but not an obligation, that the Chair invites the CEO. No individual is in attendance when matters relating to his/her own performance assessment are discussed.

#### **V.3.4. Meetings**

The regular schedule of CGC meetings provides for at least three meetings per year. Other meetings may be convened as required, at the request of the Chair, or, after consulting the Chair, at the request of any CGC Member or the CEO.

## V.4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Standing Rules applicable to all Board Committees, as set out above, apply in full to the Audit Committee (AC), taking into account the following.

### V.4.1. Role

The role of the AC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense at Ageas, including internal control over financial reporting.

### V.4.2. Responsibilities

In the area of audit, the AC monitors:

- the integrity of financial statements and of any written, official, external communication relating to Ageas's financial performance. This includes the consistent application of accounting principles (and changes to these) and the quality of internal control over financial reporting;
- the performance of the external audit process: the AC oversees the work performed by the external auditors, reviews their audit plan, formally evaluates their performance at least once every three years against stated criteria and makes recommendations to the Board regarding appointments or reappointments, mandate renewal and remuneration. The AC also monitors adherence to the Policy on the Independence of the External Audit Firm, adopted by the Board, including the correct implementation of the pre-approval procedure for non-audit services;
- the performance of the internal audit process: the AC oversees the work performed by Ageas's Audit Services and approves the annual audit plan, including focal-point audit assignments, scope and audit budget. It initiates an external quality assessment at least once every five years and endorses the appointment or removal of the General Auditor;
- the design and operating effectiveness of the internal control system in general, and in particular of the risk management system;
- the processes for monitoring compliance with legislation, regulations and the Ageas policies. The AC also regularly reviews the effectiveness of its policies, and endorses the appointment or removal of the Compliance Officer;
- the Company's policy on tax planning, and the applications of information and communication technology;
- the financing of the Company;
- compliance with the recommendations and observations of internal and external auditors;
- the effectiveness of the AC's governance. This includes overseeing the implementation of and periodically reviewing the rules governing the creation, composition and functioning of Audit Committees at Ageas's operating companies, taking into account specific legislation and regulations applicable to the entities concerned and their relations with the AC.
- the financial aspects of the legacy issues related to the former Fortis

In addition, the AC makes recommendations to the Board on:

- other audit-related topics that the AC deems appropriate from time to time;
- such tasks related to internal control, internal or external audit as the Board or the Chairman may require;
- disclosures on internal control and on the AC's activities in the Annual Report.

■ PART V ■

THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

ageas.



## ■ PART V ■

### THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

#### **V.4.3. Membership**

The AC is composed of a majority of independent Non-Executive Board Members (hereafter the "AC Members"). At least one member of the AC has sufficient expertise in finance or audit.

The Chair and the two other AC Members are appointed by the Board based on a proposal by the Chairman, after consulting the CGC. The AC may not be chaired by the Chairman nor by a former Executive Director (including a former CEO), nor by a former Senior Manager, nor by any former executive director or senior manager of any Ageas entity. It is standard practice, but not an obligation, that the Chair invites the members of the Executive Committee. The General Auditor also attends all AC meetings in full. At least once a year the AC meets without any member of the Executive Committee.

#### **V.4.4. Meetings**

The AC schedules at least four regular meetings annually. Other meetings may be convened as required, at the request of the Chair or, after consulting the Chair, at the request of the Chairman, any AC Member, the CEO, the General Auditor, the Compliance Officer or the external auditor.

## V.5. TERMS OF REFERENCE OF THE RISK & CAPITAL COMMITTEE

The Standing Rules applicable to all Board Committees, as set out above, apply in full to the Risk & Capital Committee (RCC), taking into account the following.

### V.5.1. Role

The role of the RCC is to assist the Board to understand and make recommendations on all matters relating to Risk and Capital and in particular on (i) the definition, supervision and monitoring of the risk profile of Ageas, compared to the target level of risk appetite as determined from time to time by the Board; (ii) on the adequacy of its capital allocation and (iii) on all financial aspects of the legacy issues related to the former Fortis.

### V.5.2. Responsibilities

**In the area of risk** the RCC informs and makes recommendations to the Board on:

- the definition and the level of the group risk appetite;
- the level of risk to which Ageas is exposed both at a strategic level and in the areas of investment risk, insurance risk and operational risk, as defined in the Ageas risk taxonomy, and of the way these are measured and managed by Ageas. These recommendations are based on the reports provided by/through the CRO;
- the processes by which the risk assessment and risk management are undertaken, including the annual assessment by the CRO on the entire landscape of enterprise risk and the steps management has to take to monitor and control such exposure;
- the risk governance framework within Ageas, including the organisational structure of the risk management function, and its major procedures;
- the strategic asset allocation, and ensuring that appropriate controlling mechanisms are in place;
- the Own Risk and Solvency Assessment (ORSA Report), on an annual basis.

**In the area of capital**, the RCC informs and makes recommendations to the Board on:

- the level of capital of each of Ageas's businesses and of Ageas as a whole, as well as the level of Ageas's solvency;
- on the solvency or capital allocation implications of major proposed strategic initiatives, including mergers, alliances, acquisitions or divestitures.

**In addition** the RCC makes recommendations to the Board on:

- other risk and capital-related topics that the RCC deems appropriate from time to time;
- any other topic related to risk and capital management as the Board or the Chairman may require;
- disclosure of business risks, risk and capital management and on the RCC's activities in the Annual Report.

With a view to fulfilling these responsibilities the RCC has access to any and all risk or capital-related information it might require.

## ■ PART V ■

### THE COMPANY'S BOARD COMMITTEES - STANDING RULES AND TERMS OF REFERENCE

#### **V.5.3. Membership**

The RCC comprises a minimum of three Non-Executive Board Members (hereafter referred to as “the RCC Members”), of whom at least two are independent. The Chair and the other RCC Members are designated by the Board on the basis of a proposal by the Chairman, after consulting the CGC. It is standard practice, but not an obligation, that the Chair invites the members of the Executive Committee.

#### **V.5.4. Meetings**

The regular schedule of RCC meetings provides for at least four meetings per year. Other meetings may be convened as required at the request of the Chair, or, after consulting the Chair, at the request of the Chairman, any RCC Member or the CEO.

# PART VI

THE EXECUTIVE MANAGEMENT – TERMS OF REFERENCE



## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

## INTRODUCTION

The Executive Management is composed of the Executive Committee referred to in the AoA and the Management Committee.

The role of the Executive Management is to manage Ageas in keeping with the values, strategies, policies, plans and budgets endorsed by the Board.

In exercising this role the Executive Management is, together with the boards of directors and the executive management of the respective entities of Ageas and each within its respective capacity, responsible for complying with all relevant legislation and regulations, and specifically with the legal and regulatory framework applicable to each Ageas company.

ageas.



## VI.1. THE EXECUTIVE COMMITTEE

### VI.1.1. Responsibilities and Powers

In accordance with the Law, the Board has assigned to the Executive Committee all of its management competences and powers, except for the competences, powers, responsibilities, roles and missions as described in Chapter IV, Section IV.1.

In particular, and without prejudice to the previous paragraph and to any advice it may require from the other Executive managers, the Executive Committee is responsible for the following activities and reporting on these to the Board:

1. Developing proposals to the Board related to the business strategy and business development of Ageas. This responsibility includes:
  - analysing strategies, business plans and multi-year budgets submitted by the Business Units (Belgium, UK, Continental Europe and Asia) and related to the General Account, with a view to making an Ageas plan and budget for proposal to, discussion with, and approval by, the Board;
  - making recommendations to the Board, for approval by the latter in accordance with section 1.2. of Chapter IV, with respect to the possible entering into, revision or termination of alliances, spin-offs or mergers, business, acquisitions and divestitures, involving the undertaking by the Company or involving an amount exceeding EUR 25 million.
2. Developing proposals for Ageas-wide policies to be submitted to the Board for approval. In this context, the Executive Committee develops policy proposals on:
  - financial management, e.g. funding strategy, dividend policy, solvency matters;
  - risk management, e.g. risk appetite;
  - business conduct, e.g. policies on private investments, business conduct etc.;
  - any other matter on which the Board or the Executive Committee considers that the Board should set an Ageas policy.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

3. Within the strategic guidelines and policy frameworks set by the Board, ensuring the leadership of Ageas and its general management. As such, the Executive Committee:
  - develops and implements further policies and guidelines on all areas which the Executive Committee deems of relevance to the whole or part(s) of Ageas;
  - approves or decides the entering into, revision or termination of alliances, spin-offs or mergers, investments, acquisitions and divestitures, as the case may be upon prior approval by the Board in accordance with chapter IV, section 1.1.;
  - on a day-to-day basis, steers the operations with a view to ensuring optimal sharing of best practices and experiences (operational, product development, sales, marketing, etc.), capturing synergies where relevant, and streamlining overall structures and costs and maintaining lean operations so as to develop a low-cost, high-quality insurance operation;
  - monitors the performance of Ageas as a whole and of its business units in particular, against strategic goals, plans and budgets as approved by the Board;
  - monitors key findings reported through the risk management function and committees, and follows up on their recommendations;
  - ensures the timely preparation and disclosure of Ageas's financial statements, as well as other financial and non-financial group-wide external reports and investor information;
  - implements adequate systems of internal control within Ageas within the guidelines approved by the Board and monitors their effectiveness;
  - oversees relevant support functions and their reporting on matters such as HR, Legal, Compliance, Tax etc.
4. Organising the internal control measures and risk management. As such the Executive Committee ensures that:
  - internal control objectives are determined on an annual basis;
  - an appropriate risk management system is put in place including the overall risk governance structure and risk reporting;
  - reliable financial reports, including an effective budget and closing process, are prepared on a timely basis;
  - appropriate internal audit and compliance functions are in place.
5. Ensuring proper communications with all relevant external stakeholders. As such, the Executive Committee:
  - keeps a close eye on and engages directly as necessary in the activities of the Communications & Investor Relations departments;
  - prepares for the General Meetings (without prejudice to the Board's right to convene the General Meeting and to approve the special Board reports to be submitted to the General Meeting);
  - oversees and ensures relations with relevant supervisors, each within their own area of competence as described in Part VII, and engages directly with them as and when necessary.
6. Ensures proper monitoring and managing of the legacy issues.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

#### **VI.1.2. Authority**

Without prejudice to its own powers and duties, the Board vests the Executive Committee with the authority that is adequate and necessary to the proper exercise of its duties and responsibilities, within the wider framework of the general strategy and policies decided by the Board. Without prejudice to Article 15(b)(4) of the AoA of ageas SA/NV, the Executive Committee is accountable to the Board on all matters entrusted to it by the Board.

To the extent that the activities listed under Section VI.1.1 pertain to the General Policy of ageas SA/NV and/or Ageas, to any other matter pertaining to the competences of the Board in accordance with the Law and/or the AoA, the competence of the Executive Committee is to be understood as a competence to make proposals or recommendations, to assist the Board or to implement the decisions taken by the Board.

#### **VI.1.3. Composition, Structure and Organisation**

##### **VI.1.3.1. Composition and Appointment of Members**

The Executive Committee consists of the CEO and other persons designated by the Board.

The Corporate Governance Committee makes recommendations to the Board on the appointment or removal of the Executive Committee Members.

Concerning the CEO, the Corporate Governance Committee's recommendation is based on a proposal by the Chairman, while for the appointment or removal of other members of the Executive Management, recommendations are based on a proposal submitted by the CEO, in consultation with the Chairman.

The Executive Committee operates on a collegiate basis, whilst consisting of members exercising different management functions.

##### **VI.1.3.2. Organisation**

The CEO is the chairman of the Executive Committee and ensures its organisation and proper functioning. In principle the Executive Committee meets every week. Additional meetings may be called at any time by the CEO or at the request of two members of the Executive Committee. Meetings are chaired by the CEO or, in his/her absence, by the CFO. Minutes are taken at every Executive Committee meeting.

##### **VI.1.3.3. Decisions**

In order for the Executive Committee meeting's decisions to be valid, at least half of the Executive Committee Members must be present or represented.

Executive Committee decisions are taken by consensus of its members. If necessary, the CEO, on his/her own initiative or at the request of another member of the Executive Committee, will submit a debated issue to a vote. The decision is then taken by a majority of the votes cast by all the members present or represented. If an equal number of votes is cast for and against, then the CEO will have the casting vote.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

#### **VI.1.4. Remuneration and Performance Evaluation**

##### **VI.1.4.1. Remuneration**

The remuneration of the Executive Committee Members is decided by the Board based on recommendations made by the RC. The CEO, in consultation with the Chairman, makes proposals to the RC. These proposals are established in accordance with the Remuneration Policy described in Appendix 4.

##### **VI.1.4.2. Performance Evaluation**

The Executive Committee regularly reviews and assesses its own performance as a corporate body. The CEO discusses the outcome of such assessment with the Chairman of the Board, who reports if deemed useful, with the CEO, to the Board.

As regards individual performance evaluation, the CGC and the RC, in a joint meeting held annually, set the objectives that the members of the Executive Committee are to meet in the year ahead, based on a proposal made by the CEO in consultation with the Chairman, and evaluates their performance in the preceding year, also based on a proposal made by the CEO in consultation with the Chairman. This performance evaluation is part of the procedure for the Executive Committee and for the other Executive managers' succession planning and part of the procedure for determining the performance-related element of their remuneration.

#### **VI.1.5. Conduct Guidance**

The Conduct Guidance, as outlined above in the Terms of Reference of the Board under IV.5.1. (Applicability of General Conduct Policies at Ageas), IV.5.2. (Service Arrangements) and IV.5.3. (Conflicts of Interest) equally applies, with any necessary changes, to the members of the Executive Committee. Executive Committee members are not allowed to serve on any board of any company other than an Ageas company, in either an executive or non-executive capacity, unless explicitly approved by the Board.

## VI.2. MANAGEMENT COMMITTEE

### VI.2.1. Responsibilities

A Management Committee has been created to advise the Executive Committee. The Executive Committee shall extensively discuss and seek the prior advice of the Management Committee on the following matters:

1. Matters related to the business strategy and business development of Ageas. This includes:
  - analysing strategies, business plans and multi-year budgets submitted by the business units (Belgium, UK, Continental Europe and Asia) and related to the General Account, with a view to making an Ageas plan and budget for proposal, to discussion with, and approval by, the Board;
  - making recommendations to the Board on the entering into, revision or termination of alliances, spin-offs or mergers, business, acquisitions and divestitures, involving the undertaking by the Company or involving an amount exceeding EUR 25 million.
  
2. Matters related to Ageas-wide policies, to be submitted to the Board for approval, such as:
  - financial management, e.g. funding strategy, solvency matters, but excluding dividend policy;
  - risk management, e.g. risk appetite;
  - business conduct, e.g. policies on private investments, business conduct etc.;
  - any other matter on which the Board or the Executive Committee consider that the Board should set an Ageas policy.
  
3. Matters related to the leadership of Ageas and its general management, within the strategic guidelines and policy frameworks set by the Board:
  - the entering into, revision or termination of alliances, spin-offs or mergers, investments, acquisitions and divestitures, which are not reserved to the Board;
  - the steering of operations with a view to ensuring optimal sharing of best practices and experiences (operational, product development, sales, marketing etc.), capturing synergies where relevant, and streamlining overall structures and costs and maintaining lean operations so as to develop a low-cost, high-quality insurance operation;
  - the monitoring of the performance of Ageas as a whole and of its business units in particular, against strategic goals, plans and budgets as approved by the Board;
  - monitoring of the key findings reported through risk management, the internal and external audit function and committees, and following up on their recommendations;
  - ensuring the timely preparation and disclosure of Ageas's financial statements, as well as other financial and nonfinancial group wide external reports and investor information;
  - implementing adequate systems of internal control within Ageas in accordance with the guidelines approved by the Board and monitoring their effectiveness.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

And on such other matters as the Executive Committee may require.

The Management Committee thus ensures that:

- Executive Committee decisions and proposals to the Board properly take into account the needs of the business units;
- all of the Management Committee members are committed to implementing and executing Board and Executive Committee decisions.

#### **VI.2.2. Authority**

The members of the Management Committee are accountable to the Executive Committee and carry out their duties within the general strategy outlined by the Board and the direction given by the Executive Committee. The Management Committee's authority and power are shared between its members.

#### **VI.2.3. Composition, Structure and Organisation**

##### **VI.2.3.1. Composition and Appointment of Members**

The Management Committee consists of the CEO, the other members of the Executive Committee, and any such other Executive managers as the Board may appoint, based on a proposal made by the CEO in consultation with the Chairman and supported by the CGC. Currently, the Management Committee comprises the CEO, the other members of the Executive Committee and the CEOs of the four business units.

The Management Committee operates on a collegiate basis. The CEO is the Chairman of the Management Committee.

##### **VI.2.3.2. Organisation**

The CEO heads the Management Committee and ensures its organisation and proper functioning. In principle the Management Committee meets twice a month. Additional meetings may be called at any time by the CEO or at the request of two members of the Management Committee. In order for a Management Committee meeting to be valid, at least half of the members of the Management Committee must be present or represented. Meetings are chaired by the CEO or, in his/her absence, by the CFO. Minutes are taken at every Management Committee meeting.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

#### **VI.2.4. Remuneration and Performance Evaluation**

##### **VI.2.4.1. Remuneration**

Remuneration of the members of the Management Committee is decided by the Board based on recommendations made by the RC. The CEO, in consultation with the Chairman, makes proposals to the RC. These proposals are developed in accordance with the Remuneration Policy described in Appendix 4.

##### **VI.2.4.2. Performance Evaluation**

The Management Committee regularly reviews and assesses its own performance as a group. The CEO, as spokesperson of the Management Committee, discusses the outcome of such assessment with the Chairman of the Board, who reports, if deemed useful, with the CEO to the Board.

As regards individual performance evaluation, the CGC and the RC, in a joint meeting held annually, set the objectives that the members of the Management Committee are to meet in the year ahead, based on a proposal made by the CEO in consultation with the Chairman. The CEO evaluates their performance in the preceding year in consultation with the Chairman and informs both the CGC and the RC. This performance evaluation is part of the procedure for Senior Management succession planning and part of the procedure for determining the performance-related element of their remuneration.

#### **VI.2.5. Conduct Guidance**

The Conduct Guidance, as outlined above in the Terms of Reference of the Board under IV.5.1. (Applicability of General Conduct Policies at Ageas), IV.5.2. (Service Arrangements) and IV.5.3. (Conflicts of Interest) equally applies, with any necessary changes, to the members of the Management Committee. Management Committee members are not allowed to serve on any board of any listed company other than an Ageas company, in either an executive or non-executive capacity, unless explicitly approved by the Board.

## VI.3. CHIEF EXECUTIVE OFFICER (CEO)

### VI.3.1. Responsibilities

The CEO chairs the Executive Committee and the Management Committee and is the spokesperson of the Executive Committee as well of the other Executive managers on the Board concerning matters assigned to the Executive Committee and/or the other Executive managers.

He/she submits to the Board (or Board Committees) proposals by the Executive Committee and reports on a regular basis to the Board on the Executive managers' activities.

The CEO, as top executive of Ageas, is also the main spokesperson for Ageas to the outside world. He/she communicates clearly and exemplifies Ageas's values, thus "setting the tone at the top" and inspiring the performance of Ageas's management and staff.

Finally the CEO ensures the day-to-day management of the Company and the exercise of other powers and duties entrusted to him/her by the Board in specific other matters.

### VI.3.2. Authority

Without prejudice to its own powers and duties, the Board vests the CEO with the authority that is adequate and necessary for the proper exercise of his/her duties and responsibilities. The CEO is accountable to the Board for discharging the duties and responsibilities entrusted to him/her.

The Company is duly represented by the CEO, acting alone, in all matters relating to day-to-day management, or pursuant to any specific mandate granted by the Board. The CEO has the authority to sub-delegate any specific mandate granted to him/her.

### VI.3.3. Appointment and Term of Office

#### VI.3.3.1. Appointment

The General Meeting elects as Board Member the person to be designated as CEO by the Board. The Board proposes his/her appointment, supported by a recommendation from the CGC (see V.2.2.).

#### VI.3.3.2 Terms of Office

The standard age limit for an Executive Board member is the legal retirement date.

## ■ PART VI ■

### EXECUTIVE COMMITTEE – TERMS OF REFERENCE

#### **VI.3.4. Remuneration and Performance Evaluation**

##### **VI.3.4.1. Remuneration**

The remuneration of the CEO is decided by the Board based on recommendations made by the RC, established in accordance with the Remuneration Policy described in Appendix 4.

##### **VI.3.4.2. Performance Evaluation**

At a joint meeting held annually the CGC and the RC set the objectives the CEO is to meet in the year ahead and evaluate his/her performance in the preceding year. This performance evaluation is part of the procedure for determining the performance-linked element of his/her annual remuneration.

# PART VII

EXTERNAL SUPERVISION



## ■ PART VII ■

### EXTERNAL SUPERVISION

#### VII.1. REGULATORY SUPERVISION

The regulatory framework within which Ageas operates is based on Ageas's status as an insurance group and on the status of ageas SA/NV as a listed company.

##### VII.1.1. Prudential Supervision of Ageas

As providers of insurance services, all insurance companies within Ageas are subject to prudential supervision by the national supervisory bodies for insurance in their domicile country.

In addition to the above, Ageas is also subject to supplementary supervision, as prescribed in the EU directive on the supervision of insurance holding companies. Supplementary supervision covers such areas as the shareholding structure of the Company, the reliability of directors and management, the organisational structure of Ageas, its investment policy, risk concentration and intra-group activities.

Supplementary supervision is exercised by the competent authorities of the member state in which the insurance undertaking has received official authorisation. Where insurance undertakings authorised in two or more member states have as their parent undertaking the same insurance holding company, the competent authorities of the member states concerned may reach agreement as to which of them will be responsible for exercising supplementary supervision.

In practice Ageas is subject to the prudential supervision of the Belgian National Bank.

##### VII.1.2. Supervision of ageas SA/NV as an Issuer of Listed Securities

As an issuer of listed securities, the Company is subject to the listing requirements of NYSE Euronext and to supervision by the Financial Services and Markets Authority (FSMA).

##### VII.1.3. Market Conduct Supervision

In each of its customer markets Ageas is also subject to supervision regarding the quality of its products and services and their compliance with codes of conduct and professionalism. In Belgium, for example, this market conduct supervision is carried out by the FSMA. In other countries a similar role is assumed by local authorities.

## VII.2. EXTERNAL AUDITORS

### VII.2.1. External Audit Appointment

KPMG Réviseurs d'Entreprises/Bedrijfsrevisoren are the auditors of ageas SA/NV. The General Meeting appoints or re-appoints the auditors every three years. The auditors are responsible for auditing the financial statements of ageas SA/NV. They carry out reviews of the quarterly and half-year interim financial statements, and of the annual financial statements. At all of its operating companies worldwide, Ageas's policy is to have KPMG act as external auditor.

In addition to their normal duties the external auditors of insurance entities often have a complementary role within the framework of prudential supervision. Under the Belgian regulatory system, for example, the external auditors of AG Insurance SA/NV are licensed by the NBB. They report to the NBB on a regular basis, and may carry out special duties on its behalf.

### VII.2.2. Reporting by the External Auditors

The external auditors report directly to the AC. In principle they attend each meeting of the AC in full. Additionally the external auditors may also have direct contact with the Chairman or the AC Chair, outside of the formal meetings of the Board or AC. Every quarter the external auditors produce as part of their quarterly review a report that contains a selection of comments that they wish to bring to the attention of the AC. This report may deal with any range of subjects, such as, for example, the application of accounting principles, control weaknesses within Ageas entities, legislative changes likely to affect Ageas, etc. The report is discussed in the AC and forwarded to the Board for information and comments.

### VII.2.3. Supervision of the External Auditors

The AC, on behalf of the Board, supervises the performance and independence of the external auditor. The external auditor's performance is reviewed at least once every three years.

As regards independence external auditors are required to comply with local legislation and regulations, as well as with International Standards on Auditing. In addition, they comply with the 'Policy on the Independence of the External Audit Firm', which includes provision for a seven-year rotation of the Audit Partner, a strict procedure for the approval of non-audit services delivered by external auditors, and annual reporting on all aspects concerning independence. The AC monitors compliance with said Policy (see Appendix 7).

# APPENDICES

TO THE CORPORATE GOVERNANCE CHARTER



## ■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

# APPENDICES

- Appendix 1 Glossary
- Appendix 2 Board Profile
- Appendix 3 Board Independence Requirements
- Appendix 4 Remuneration Policy For Board Members And Executive Committee Members
- Appendix 5 Principles Of Business Conduct
- Appendix 6 Policy On Private Investments
- Appendix 7 Policy On The Independence Of The External Audit Firm
- Appendix 8 The Group As An Institutional Investor
- Appendix 9 Conflict Of Interest Policy
- Appendix 10 Anti-Bribery Policy
- Appendix 11 Fit and Proper Policy

ageas.



CORPORATE GOVERNANCE CHARTER

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### APPENDIX 1

## GLOSSARY

---

AC	Audit Committee as referred to in Chapter V, Section 4.
ADR	American Depositary Receipt (see ADR Programme)
ADR Programme	A programme providing US investors with an opportunity to invest and trade domestically in non-US companies in US dollars
Ageas	The group of companies composed of ageas SA/NV and all its Subsidiaries, it being understood that insofar as the present definition involves Subsidiaries that are under joint Control (in the meaning of Article 9 of the Belgian Code of Companies), any reference made in the present Charter to any action or any policy regarding Ageas has to be understood by taking into consideration the specificity of such joint Control.
Ageas Principles of Business Conduct	The code that sets out the standards governing the relationship between Ageas employees and shareholders, customers, colleagues and the community.
Annual Report	The annual report of the Company containing various relevant and/or mandatory information, including a message from the Chairman and the CEO to the shareholders, the Board's report, and the Ageas Consolidated and summarised ageas SA/NV Company Financial Statements.
AoA	The articles of association of the Company.
Audit Services	The Company's internal audit department.
Board	The board of directors of the Company.
Board Advisory Committee(s) or Board Committee(s)	Any committee set up by the Board with advisory responsibilities. At the time of the adoption of this Charter the Board Advisory Committees are: the Remuneration Committee (RC), the Corporate Governance Committee (CGC), an Audit Committee (AC) and a Risk & Capital Committee (RCC). Any reference to a Board Committee or to a Committee refers only to a Board Advisory Committee.
Board Member	Any member of the Board.
Business Unit	Any geographical area in which Ageas operates, including, at the time of the adoption of this Charter, Belgium, the UK, Continental Europe and Asia.
CDO (Chief Development Officer)	The Executive Committee Member as appointed in such capacity.
CEO (Chief Executive Officer)	The Executive Committee Member in the meaning of Chapter VI, Section 3 of this Charter.
CFO (Chief Financial Officer)	The Executive Committee Member as appointed in such capacity.
CGC	The Corporate Governance Committee in the meaning of Chapter V, Section 3 of this Charter.

ageas.



■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

Chair	Anyone appointed as the chairman of a Board Advisory Committee.
Chairman	The Chairman of the Board in the meaning of Chapter IV, Section 3 of this Charter.
Charter	This Corporate Governance Charter as amended from time to time as the case may be.
2009 Code	The Belgian Code on Corporate Governance as published on 12 March 2009 by the Corporate Governance Commission chaired at that time by M. Herman Daems; this replaces the previous version of the code adopted in 2004. It has been designated as the reference code by Article 1st of the Royal Decree of June 6, 2010. The text of the 2009 Code can be downloaded from <a href="http://www.corporategovernancecommittee.be">www.corporategovernancecommittee.be</a> .
Committee	Any Board Advisory Committee.
Committee Member	Any member of a Board Advisory Committee.
Company	ageas SA/NV.
Company Secretary	The secretary of the Company within the meaning of Chapter IV, Section 4.3.
Compliance Officer	The person in charge of the management and monitoring of Ageas's compliance with legislation, regulations and the Ageas Principles of Business Conduct as a function of independent supervision.
Control (as a verb or as a noun)	Has the meaning provided for in Article 5 to 9 of the Belgian Code of Companies, even if one refers to any company that has not been incorporated under Belgian law.
COO (Chief Operating Officer)	The Executive Committee Member as appointed in such capacity.
CRO (Chief Risk Officer)	The Executive Committee Member as appointed in such capacity.
Deputy Chairman	The Deputy Chairman of the Board.
Executive Board Member	Any member of the Board who is a member of the Executive Committee.
Executive Committee	The Executive Committee set up by the Board, composed of the Chief Executive Officer (CEO); Chief Financial Officer (CFO), the Chief Risk Officer (CRO), the Chief Development Officer (CDO) and the Chief Operating Officer (COO).
Executive Committee Member	Any member of the Executive Committee.
Executive Management	The CEO, the Executive Committee and the Management Committee.
Executive Manager	A manager who is an Executive Committee member or a Management Committee member.
FSMA	Financial Services and Markets Authority.
General Auditor	The officer who heads the Company's Audit Services, as a function of independent supervision.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

General Meeting	The general meeting (either ordinary, special or extraordinary in the meaning of the Belgian Code of Companies) of shareholders of the Company.
General Policy	Ageas's general policy as determined by the Board.
GRO (Group Risk Officer)	The Executive Manager in charge at the group level of risk management.
Group	Ageas
Law	The Act regarding the control of insurance enterprises as applicable at the time of the adoption of this Charter.
Management Committee	The committee comprising the members of the Executive Committee and the CEOs of the four business units.
Management Committee member	Any member of the Management Committee other than the Executive Committee members.
NBB	National Bank of Belgium.
Non-Executive Board Member	A Board Member other than an Executive Board Member.
RC (Remuneration Committee)	The committee as referred to in Chapter V, Section 2 of this Charter.
RCC (Risk and Capital Committee)	The committee as referred to in Chapter V, Section 5 of this Charter.
Standing Rules	The rules common to all Board Committees as referred to in Chapter V of this Charter.
Subsidiary	Any company that Ageas Controls, directly or indirectly.
Transversal control functions	The Compliance function; the Audit function; the Risk management function and the Actuarial function.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### APPENDIX 2

## BOARD PROFILE

---

The Board is composed of members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. All Board Members have experience in positions with a high degree of responsibility and have a proven ability to exercise mature business judgment.

When searching for candidate Board Members, the Board explicitly subscribes to the goal of having a diverse Board, in terms of age, gender, expertise and background.

When nominating new Board Members for election by the General Meeting, the Board takes into account the candidate's potential contribution in terms of skills, experience and knowledge in one or more of the areas listed below in accordance with the needs of the Board at the time of nomination:

- accounting: familiarity with reading and interpreting the financial statements of financial institutions, with international accounting standards, particularly as applied to financial products and in the financial services sector, with accounting and consolidation processes and procedures, and with merger and acquisition accounting;
- insurance knowledge: wide experience in, and in-depth knowledge of, the insurance sector, both at a technical level (including knowledge of the risks inherent in insurance activities and the techniques used to manage these) and in relation to Ageas's main customer markets;
- public affairs: familiarity with public and policy-making forums insofar as they might affect business in general or the financial sector in particular;
- international exposure: international experience, gained through brief or extended periods of education or employment outside the Benelux countries and/or through previous senior positions held in the Benelux countries, involving extensive professional international contacts;
- management and organisation: experience in managing a large organisation, operating both nationally and internationally; a thorough understanding of general management and organisational development of best practices and of their application in complex, rapidly evolving business environments;
- crisis response: the ability and availability to perform duties during brief or prolonged periods of crisis;
- leadership qualities: the skills and capacity required to build and refine strategic vision by conceptualising key trends, supporting high-quality dialogue, demonstrating commitment and perseverance, while remaining constructively critical of established patterns and the group mindset.

APPENDIX 3

## BOARD INDEPENDENCE REQUIREMENTS

---

All members of the Board, Executive Board Members and Non-Executive Board Members alike, are required in their capacity as Board Members:

- to be guided exclusively by the Board's overall goal, which is to perpetuate a successful insurance business;
- to maintain in all circumstances independence of judgment, decision and action; and
- to express their concerns clearly and, as the case may be, have recorded in the minutes their opposition to a proposal submitted to the Board, if they are of the opinion that any such proposal may harm Ageas's interests.

The Board strives to have a majority of Board Members who comply with the following independence criteria:

1. Not be an executive, or exercising a function as a person entrusted with the daily management of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Or no longer enjoying stock options of the company related to this position.
2. Not have served for a total term of more than twelve years as a non-executive board member.
3. Not be an employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Or no longer enjoying stock options of the company related to this position.
4. Not be receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the company or a related company or person, apart from any fee they receive or have received as a non-executive board member.
5. (a) Not hold shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the company's capital or one tenth or more of the voting rights at the moment of appointment; (b) Not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (a).
6. Not maintain, nor have maintained in the past year before their appointment, a significant business relationship with the company or a related company or person, either directly or as partner, shareholder, board member, member of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of a company or person who maintains such a relationship.
7. Not be or have been within the last three years before their appointment, a partner or member of the audit team or person who is, or has been within the last three years before their appointment, the external auditor of the company or a related company or person.
8. Not be an executive of another company in which an executive board member of the company is a non-executive board member, and not have other significant links with executive board members of the company through involvement in other companies or bodies.
9. Not have, in the company or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function of board member or executive or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry), or falling in one of the other cases

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

referred to in 1) to 8) above, and as far as point 2) is concerned, up to three years after the date on which the relevant relative has terminated their last term.

## ■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

### APPENDIX 4

## REMUNERATION POLICY FOR BOARD MEMBERS AND EXECUTIVE COMMITTEE MEMBERS

---

When developing the new remuneration policy for Board Members and Executive Committee members, the Board took into account its responsibility for the design of a tailor-made system which was appropriate to the performance of both Ageas and its executives and employees. The Board recognised that careful attention needed to be given not only to performance incentives, but also to Ageas's corporate values, strategy, quality and sustainability of the business, and risk profile.

The remuneration policy has been applied since 1 January 2010 and regularly updated since.

### 4.1. THE REMUNERATION OF BOARD MEMBERS

Remuneration of Board Members is determined by the Board and approved by the General Meeting. Detailed proposals for remuneration of Non-Executive Board Members are formulated by the RC, based on advice from outside experts. The levels and structure of the remuneration of Non-Executive Board Members are determined on the basis of their general and specific responsibilities and general market practice. The remuneration of Non-Executive Board Members includes both regular basic remuneration for Board membership and Board Committee meeting attendance fees. The Non-Executive Board Members do not receive annual incentive awards or stock options and are not entitled to pension rights. Non-Executive Board Members can also receive remuneration from the subsidiaries at which they hold board positions and such remuneration will be disclosed in the Annual Report. Non-Executive Board Members are not entitled to any termination indemnity. The remuneration of Executive Board Members is related exclusively to their executive positions.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### 4.2. REMUNERATION POLICY FOR EXECUTIVE COMMITTEE MEMBERS

Remuneration of Executive Committee members is determined by the Board, on the recommendation of the Remuneration Committee (RC), and included in the remuneration report that is submitted to the General Meeting of Shareholders for approval. Both the levels and structure of remuneration of Executive Committee members are analysed on an annual basis. At the initiative of the RC, the competitive positioning of Ageas's remuneration is regularly reviewed by, and discussed with, a leading international firm of compensation and benefits consultants which does not provide compensation and benefit services to the Executive managers or to any other manager of the Ageas organisation.

Remuneration of Executive Committee members is designed to:

- ensure the organisation's continued ability to attract, motivate and retain executive talent in an international marketplace;
- promote the achievement of demanding performance targets and long-term sustainable growth in order to align the interests of executives and shareholders in the short, medium and long term; and
- encourage, recognise and reward both strong individual contributions and solid team performance.

The reward package for Executive Committee members reflects a concept of integrated total compensation, combining the following major components of pay: base pay, annual incentive (short-term performance-related bonus), long-term incentive, pension and fringe benefits

In calibrating the various remuneration components, the objective is to position the overall remuneration levels in line with the relevant market compensation practices. The relevant reference market taken into account are the BEL20 reference market (excluding AB Inbev) and the European Insurance reference market based on a peer group of companies.

The variable components are subject to a maximum. Part of the total compensation package of Executive Committee members consists of variable remuneration and is therefore "pay at risk". At target levels this part of the compensation represents 50% of the basic base pay for the short-term performance related incentive and 45% for the long-term incentive. The maximum levels of variable compensation are monitored by the RC and can be adjusted when required by changes in the regulatory framework.

The total reward package is part of the Executive Committee member's contract, the main elements of which also include the retirement date, termination clauses and various other clauses such as confidentiality and exclusivity.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

As from 1 January 2010 contracts provide for maximum severance pay of 12 months base salary and an annual incentive (total cash compensation) for members of the Executive Committee in the event of termination without cause. In specific circumstances such as seniority in excess of 20 years, circumstances related to health and other cases to be determined by the RC, higher severance pay (up to a maximum of 18 months of base salary and an annual incentive) is allowed upon the recommendation of the RC. Financially compensated non-compete provisions may be made.

#### **Base compensation**

Base pay levels are determined per executive position for top management and are intended to compensate the Executive Committee members for their position's responsibilities and their particular set of competencies. These levels take into consideration generally prevailing market rates for equivalent positions and are subject to annual review. There is, however, no mechanism for automatic adjustment.

#### **Annual incentive (short-term incentive)**

The annual incentive is designed to encourage, recognise and reward strong individual contributions by Executive Committee members as well as solid performance as head or member of the Executive Committee.

The annual incentive is determined by the Executive Committee member's actual performance on the basis of pre-agreed performance criteria (key performance indicators (KPIs)).

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

“On target” performance results in the award of an annual incentive equal to 50% of the annual base pay of the Executive Committee member. Outperformance results in an annual incentive of up to 100% of base pay. The annual incentive can, therefore, range from 0% to 100% of base pay.

Performance measurement level of the Executive Committee Member	Relative weight of KPIs
Corporate business performance (group objectives, both quantitative and qualitative)	70%
Individual performance (personal objectives linked to responsibilities of function)	30%
<b>Total</b>	<b>100%</b>

Business performance is measured on the basis of key performance indicators determined by the Board. Performance targets at group and operating company level are set by the Board on an annual basis taking the relevant budgets into account. The KPI's that are determined by the Board incorporate criteria reflecting the growth of net profit, ROE, the cost and quantity of capital required, the risks assumed in the conduct of the business, the cost levels and the value creation.

The annual incentive is paid in cash, but payment is spread over three years. The portion of the annual incentive earned over year N to be paid out in the first year may not exceed 50% of the total awarded amount. A significant portion is deferred for one year and paid in year N+2, subject to the achievement of sustained performance over years N and N+1. A final portion is deferred for two years and paid in year N+3, again subject to the achievement of sustained performance over years N up to and including N+2. The deferred parts of the annual incentive therefore remain at risk.

Paid-out bonuses will be reclaimed in the case of fraud or material misstatement.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### Long-term incentive

The long-term incentive plan is designed to:

- encourage and support the creation of shareholder value and ensure that the Executive Committee members, like the shareholders, share in the Company's successes and setbacks;
- provide the opportunity for Executive Committee members to receive, within their overall package, competitive rewards for performance as a result of sustained group performance over a longer period of time; and
- enable the organisation to outperform a group of peers in the market, and also take into account the growth potential of ageas SA/NV shares.

For each Executive Committee member the Board decides a maximum value for the long-term incentive of up to 90% of annual base pay. The long-term incentive is paid exclusively in the form of performance shares. These shares are ordinary shares and may only be sold after 31 December of the fifth year following the end of the year over which the performance is assessed. Any restriction on the sale of the vested shares shall, however, end six months after termination of the professional relationship between Ageas and the Executive Committee member.

The shares are qualified as "performance shares" in view of the fact that their granting is dependent on the performance of ageas SA/NV shares and their vesting depends on the business performance of ageas SA/NV over a period of three and a half years, so as to take sustainability into account. Vesting further assumes that the Executive Committee member is employed by Ageas during the entire reference period. At the time of vesting, the Executive Committee member will be allowed to sell a maximum of 50% of those shares within ten days in order to finance any tax liabilities associated with the grant.

The number of performance shares granted under the long-term incentive plan is determined annually on the basis of the following key features:

- initial grant: The grant is determined on the result of the Ageas business score over the previous working year and according following grid:

Ageas Business score	% Grant	Exco (45% target)
< 3	No granting	-
3	50 % of target	22,5% of base pay
4	100 % of target	45 % of base pay
5	150% of target	67,5% of base pay
6 or 7	200 % of target	90 % of base pay

- The number of shares in the initial grant is calculated by dividing the initial grant value determined by the Board by the value of ageas SA/NV shares at the time of the grant. The maximum number of shares in the initial grant may never exceed the maximum percentage (90%) of annual base pay.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

- the long-term incentive is delivered in the form of performance shares and vesting is conditional upon the continuance of the professional relationship: the long-term incentive for year N will not vest until year N+4, subject to the attainment of a sustained performance over the four-year period and will be adjusted as explained below;
  - As for the LTI – plans launched before 2017 - the final number of shares to be vested (at June N+4) will be calculated as the number of shares initially granted, multiplied by the ratio of the TSR ranking of the period 1/1/N to 31/12/N+3 over the TSR ranking over year N (TSR or Total Shareholder Return).
  - As of the LTI- plan for 2017 , the number of granted shares at vesting will be adjusted according the TSR ranking of Ageas in a peer group of companies over the elapsed performance period with following leverage:

Percentile TSR ranking 3 years	Vesting %
≥ 75%	200%
≥60% - <75%	150%
≥40% - <60%	100%
≥25% - <40%	50%
<25%	0%

- The total shares attributed at vesting will never exceed 90 % of base compensation. (absolute cap).
  
- in the structure of the annual incentive and the long-term incentive, the alignment of performance, risk and remuneration is taken into account by incorporating elements of risk management and control in the structure of these incentives:
  - in the annual incentive: through the choice of the KPIs (including the risk and cost of capital adjusted features of such KPIs), the deferred component and the sustained performance requirement in the two years following the performance year;
  - in the long-term incentive: through the deferred vesting mechanism combined with sustained performance in the period prior to vesting, i.e. the vesting of performance shares at the end of the three and a half year period is not only dependent on the continuous professional relationship of the Executive Committee member but also on sustained performance during the full period prior to the actual vesting of the shares, and through the mandatory blocking of the shares for five years, which provides a clear alignment of the interests of the Executive Committee member and those of Ageas shareholders. Consequently, any excessive risk taken would ultimately be reflected in the share price.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Discretionary authority**

The Board of Directors has the discretionary power to adjust variable remuneration components (annual incentive and long-term incentive) either upwards or downwards in those cases where the implementation of the Remuneration Policy would result in unintended or undesirable effects.

#### **Pension and other remuneration components**

The Executive Committee members participate in Ageas's pension schemes. These schemes are in line with prevailing market practices in Ageas's geographic environment. For the members of the Executive Committee this is a defined contribution plan. These schemes provide retirement and pre- and post- retirement survivors' pensions or their lump sum equivalent. Other benefits, such as medical and other insurance coverage, are provided in line with competitive practices in the market where the member is employed.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Adoption of Remuneration Policy**

The policy described above replaces the previous one and was approved and adopted by the General Meeting of Shareholders.

With respect to managers who are not members of the Executive Committee, the Board has decided to adopt the same principles as apply to the Executive Committee members, adapted mutatis mutandis to local markets, practice and legislation. A long-term incentive can only be provided to members of the Management Committee.

The Board has the authority to amend the Remuneration Policy as it sees fit, on the basis of recommendations made by the RC and in compliance with the prerogatives of the General Meeting of Shareholders.

**APPENDIX 5**

## **PRINCIPLES OF BUSINESS CONDUCT**

---

### **5.1. CONTENTS**

- Introduction to the Principles
- Ageas Principles of Business Conduct:
  - relationships with our shareholders;
  - relationships with our customers;
  - internal relationships;
  - relationships with intermediaries;
  - relationships with communities;
  - final remarks.

This internal Ageas document is addressed to Ageas staff worldwide and is intended to set minimum standards for the conduct of business.

### **5.2. INTRODUCTION TO THE PRINCIPLES**

#### **Safeguarding Our Reputation**

The Ageas Principles of Business Conduct have been developed with the aim of safeguarding our reputation as a reliable business partner that lives up to its core values. The Principles are intended to provide guidance to our actions and decisions, and they reflect the mindset and attitude expected in our company.

#### **Global Principles Requiring Local Application**

The Principles of Business Conduct apply to employees of Ageas all over the world. It is important that every Ageas employee adheres to these Principles. Their application guarantees the business excellence that Ageas wishes to achieve. The Principles are broad and of a general nature and provide the minimum standard.

Needless to say, stricter or more specific regulations and standards which apply in countries where an Ageas company is active must also be observed.

#### **Being What We Claim To Be**

We have to live up to our promise at all times: being solid, trustworthy partners who offer flexible solutions to our customers. People judge us by what we do, rather than by what we claim to be. The highest degree of integrity is therefore expected from us all.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### Questions and Internal Dialogue

Everyone should be able to consult a colleague if in doubt about how to apply the Principles in a specific case. Individual Ageas companies have their own structures and procedures for dealing with questions related to the Principles that come up in day-to-day practice. The first step might be to discuss questions with direct superiors. Furthermore, Ageas companies have designated officers to promote the application of the Principles of Business Conduct, e.g. Compliance Officers, Human Resources Managers or Ombudsmen. These officers have the authority and capacity to provide support in individual cases. Anyone at an Ageas company with a question or comment related to the Principles which is not limited to a specific case and might be relevant to other situations, now or in the future, should be able to enter into an internal Ageas-wide dialogue.

### 5.3. PRINCIPLES OF BUSINESS CONDUCT

#### 5.3.1. Relationships with Our Shareholders

##### Added Value

We aim to provide sustainable economic value to ageas SA/NV shareholders.

##### Corporate Governance

We subscribe to and apply principles of good corporate governance. We strive for an effective and transparent management structure, with an adequate division between executive and non-executive responsibilities. We provide our shareholders with the information they need to make their investment decisions and exercise their rights. This particularly concerns financial information and other relevant information of a strategic nature. We set clear financial goals and communicate these to our shareholders.

##### Equal Treatment

We respect the equal treatment of our shareholders.

#### 5.3.2. Relationships with Our Customers

##### Treating Customers Fairly

Ageas is committed to ensuring that its customers are treated fairly. Treating Customers Fairly (TCF) is central to the Ageas corporate culture. In this respect a policy sets out the framework in relation to Treating Customers Fairly and serves as a set of minimum standards for ensuring fair outcomes for customers.

##### Innovative Solutions for Our Customers

We strive for better and more distinctive solutions that meet our customers' needs and that help them maintain and enhance their financial well-being.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Caring, Straightforward and Fair Communications with Our Customers**

Communications with our customers are straightforward and fair. We only recommend products and services that are suitable to their needs and resources. This means that we shall seek insights into these needs and resources as appropriate. We provide customers with the information they need to make an informed decision.

Advertisements and other marketing material contain relevant and comprehensible information and do not create unjustified expectations.

#### **Dispelling Dissatisfaction**

Caring also means that we give dissatisfied customers ample attention. If complaints do occur we make every effort to dispel the dissatisfaction and take measures to prevent the same complaint from arising again.

#### **Confidentiality of Customer Information**

We treat information related to customers with a high degree of confidentiality. Such information will only be used and given to third parties for providing the services the customer expects from us and for other purposes that have been clearly stated. Such information will not be used or given to third parties for any other reason, unless legislation or equivalent regulations require us to do so. It is important that we observe the legislation and regulations on the protection of privacy, both in letter and in spirit.

#### **Transparent Prices**

At all times we are clear and straightforward with our customers on the prices of our products and services. We do not grant personal benefits, such as gifts, entertainment or services, to customers or their representatives with the aim of acquiring business if we would not accept such benefits ourselves on the basis of these Principles (see below under 'Separation of business and private interests'). All current charges, rates and other terms and conditions of our products and services are properly reflected in any business documents that are available to company officers for inspection.

#### **Customer Acceptance**

We value an impeccable reputation as a trustworthy insurance company. We do not therefore enter into relationships with individuals or organisations engaged in, or suspected of, illegal or unethical activities. New customers are accepted with due care. We protect our organisation from abuse by criminal organisations or individuals. We adhere to the legislation and regulations on money laundering, both in letter and in spirit. Furthermore we pursue an active anti-fraud and anti-money laundering policy.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### 5.3.3. Internal Relationships

##### **Respect, Openness and Cooperation**

Ageas's core values are equally applicable to the relationship between our company and its employees and to the relationships between colleagues. Respect, openness and cooperation should be characteristics of these relationships. One of the main characteristics of our relationship as colleagues is that we share our knowledge and exchange best practices.

##### **Motivating Working Conditions**

Ageas aims to be a dependable and inspiring employer to those who make a real effort to contribute to our values, goals and achievements. The Ageas culture and structure aim to foster our employees' commitment to the company. We provide working conditions that motivate Ageas employees to be high performers.

This not only implies adequate remuneration, but also good opportunities for personal development, including training facilities, and attention to the creation of a good work-life balance. We always provide a safe and healthy working environment. Ageas encourages all employees to exercise their rights concerning employee participation. The statutory representations of employees (such as works councils and unions) play an important role in the open and straightforward dialogue that Ageas wishes to maintain.

##### **Human Dignity**

Each and every person in our organisation should be treated with dignity and respect. We do not tolerate discrimination based on personal characteristics such as gender, race, colour, religion, political opinion, sexual orientation or physical abilities, nor do we tolerate harassment.

##### **Confidentiality of Employee Information**

Ageas companies treat personal information related to individual employees with a high degree of confidentiality. This information will not be provided to third parties, except for purposes that have been clearly stated or unless legislation or equivalent regulations require us to do so. We observe the legislation and regulations on the protection of privacy, both in letter and in spirit.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Use of Confidential Information on Our Company or Third Parties and Private Transactions**

Confidential information, whether it relates to an Ageas company or to a third party, will only be used for the purpose it has been provided for, by authorised staff. We will not use such information for personal benefit, and even the appearance of misuse should be avoided at all times. This information will only be passed on to others if required for the proper execution of our tasks. The previous paragraph also means that insider trading is not accepted. In other words, we do not engage in private investment transactions if we are in possession of non-public, price-sensitive information related to an investment, nor do we advise others on such transactions.

#### **Separation of Business and Private Interests**

Business interests should be strictly separated from private interests. Conflicts of private and business interests or the appearance of such conflicts are to be avoided. Conflicts of interest can arise in many different ways. An example is if an Ageas employee is involved on behalf of an Ageas company in negotiations concerning a contractual relationship with a company in which that employee has a personal interest exceeding an ordinary investment. A conflict of interest may also arise if an employee accepts some personal benefit that may adversely affect his/her judgment on behalf of the company, or that may cause him to act differently than he/she would without the receipt of such a benefit, or that might otherwise damage Ageas's reputation. Benefits may include payments, gifts, entertainment, services, loans or the promise of future benefits. Acceptance of the conventional courtesies of business life, such as gifts of insignificant value or customary social entertainment, is allowed as long as it does not potentially affect the employee's judgment or cause him to act differently, as described above. Company property and company relationships are used for business purposes only, and never for personal benefit. Unpublicised information on the company to which employees have access belongs to the company. We fully respect the rights of third parties, for example software copyrights.

#### **Additional Activities**

Paid or unpaid professional responsibilities, other than those that come under the employment contract with Ageas, will only be assumed on the basis of an additional agreement with the employer.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **5.3.4. Relationships with Intermediaries**

##### **Co-Responsibility**

Our relationships with intermediaries – brokers and, in a broader sense, individuals and organisations using our brand and/or selling our products and services but who are not employed by Ageas – are governed by the same principles as our other relationships. Intermediaries may expect fair remuneration and professional support from us. We, in turn, require from them that they act in line with our standards of business conduct and accept co-responsibility for building and maintaining our reputation.

##### **Selection**

With this co-responsibility in mind, we select our intermediaries with due care. If intermediaries do not observe the Ageas business principles we will no longer work with them.

#### **5.3.5. Relationships with Our Communities**

##### **Our Communities**

Ageas is a part of the communities in which it is active. We are able to operate by virtue of the economic, legal and social infrastructures of our societies. We benefit from these infrastructures while at the same time contributing to their existence. We have earned the right to provide insurance services. At the same time, we recognise that participation in our communities brings responsibilities as well. We participate in our communities while taking into account their sustainable development. Our employees are encouraged to participate in their local communities, for example as volunteers.

##### **Respect for Human Rights**

We are of the opinion that respect for human rights, as described in the Universal Declaration of Human Rights of the United Nations of 1948, is a condition for maintaining a sustainable society. We apply the relevant human rights principles in our relationships with employees and we acknowledge our responsibility for promoting the application of human rights whenever we, as a private enterprise, are in a position to make a meaningful contribution to this cause.

##### **Governments and Regulators**

Our relationships with representatives of the governments in the countries where we operate, such as external regulators, are based on respect, professionalism and trust. Bribery in any form is not tolerated.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Fair Competition**

We strive to be our customers' preferred insurance services supplier. Providing the right products and services, and acting in line with our values, will give us a favourable and reputable position in our highly competitive marketplace. We do not engage in unfair practices as regards our customers, competitors or markets.

#### **Concern for the Environment**

We recognise the need to protect the environment. We carefully manage our use of natural resources such as energy and water, and we practice environmentally conscious waste management.

#### **Final Remarks**

Ageas's reputation as a trustworthy partner is an asset of great importance, one which should be maintained and enhanced by proper business conduct. We expect all of our employees, from the highest to the lowest level, to adhere to and properly observe these Principles of Business Conduct, in letter and in spirit. Moreover, we expect exemplary behaviour from managers, and that they actively motivate their subordinates to observe the Principles at all times. Ageas companies will react effectively should cases of negligence or violation of these Principles nevertheless occur.

ageas.



## ■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

### APPENDIX 6

## POLICY ON PRIVATE INVESTMENTS

---

This document describes the Ageas policy on private investments<sup>6</sup> made by its Board Members, Executive Committee Members, and officers and employees, as approved by the Board.

The current policy document aims to apply a set of minimum standards which apply throughout all Ageas offices and subsidiaries worldwide, insofar as local legislation permits. These standards are translated into detailed rules and procedures applying either to (a) specific officers or groups of officers or employees, or (b) specific legal entities. Ageas is committed to introducing appropriate procedures and other measures to monitor compliance with said policies, rules and procedures.

### Principle 1

Every Board member, officer or employee may make a private investment in any security, provided that such investment:

- is in no way linked, nor potentially perceived to be linked, to inside information available from any source whatsoever. It should be noted that this principle applies to securities issued by ageas SA/NV as well as to securities issued by other institutions;
- is in no way linked, nor potentially perceived to be linked, to securities transactions that an Ageas company performs or commissions. Accordingly, it is not permitted to engage in any private transaction in response to, or in advance of, a securities order by ageas SA/NV of which any Board member, officer or employee is aware;
- does not constitute, nor could appear to constitute, a conflict of business and private interests;
- could not be perceived as an excessive or highly speculative transaction, nor considered to be market manipulation;
- has not been designated by the Board or the Compliance Officer as a security in which private investments are not allowed.

---

6 To acquire or dispose of, or the attempt to acquire or dispose of, financial instruments to which that information relates, for one's own account or for the account of a third party, either directly or indirectly.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### Principle 2

All Board members, officers and employees shall refrain from:

- disclosing inside information – from any business source whatsoever and whether it relates to an Ageas company or to a third party – to others; and/or
- recommending others to engage in a private investment transaction, based on such information; unless such disclosure or recommendation is necessary for the proper execution of their professional duties.

The same prohibitions apply if the appearance is reasonably likely to be created that inside information is available.

#### Principle 3

Subject to the guidelines, contained in Principle 1, on possible additional restrictions/obligations imposed by the Compliance Officer and on the ‘closed periods’ and ‘prohibited periods’ during which private transactions in ageas SA/NV securities, including the securities issued by fully-owned subsidiaries, are not permitted, every Board member, officer or employee may make private investments in ageas SA/NV securities. Their ownership of ageas SA/NV securities should constitute a long-term investment.

#### Principle 4

Ageas will implement and maintain processes and procedures in order to fulfil the notification requirements, if any, for private securities transactions which are imposed by law (or are required by prevailing regulations or best practices) in every country where Ageas is present. Ageas has a compliance function that promotes and monitors the application of the principles described above.

ageas.



## APPENDIX 7

# POLICY ON THE INDEPENDENCE OF THE EXTERNAL AUDIT FIRM

---

This document describes Ageas's policy regarding the independence of its external audit firm, recommended by the Audit Committee and approved by the Board. Every year the Audit Committee formally evaluates the independence of the external audit firm, documents its position on this matter, and reports to the Board. When reporting to the Board, the Audit Committee also recommends changes to the policy where necessary.

It should be noted that Ageas requires its external audit firm to comply with International Standards on Auditing (ISA), including the standards on independence contained therein. Additionally Ageas's external audit firm is subject to local statutory independence requirements. The current policy document should be regarded as the minimum standards for independence to which Ageas commits itself on a voluntary basis, and which may be more stringent than local independence legislation.

### 7.1. GENERAL POLICY

Ageas - the Company and all of its majority-owned legal entities - maintains a strict policy of avoiding, both in fact and in appearance, any conflict of interest when using the services of an external audit firm.

This policy is guided by the following principles:

- the external audit firm is not involved in the decision-making process at Ageas;
- the external audit firm assures that no direct or indirect financial, business, employment or other relationship exists which would cause an objective, reasonable and informed third party to conclude that the external audit firm's independence has been compromised.

In line with the European Commission Recommendation<sup>7</sup> implemented in Belgium, Ageas and Ageas Board Members and officers shall refrain from entering into any financial or business relationship with Ageas's external audit firm, its partners or employees which could, or could be seen to:

- create a conflict of interest;
- place the external auditor in a position to audit its own work;
- result in the external auditor acting as an Ageas manager or Ageas employee;
- place the external auditor in the role of advocate for Ageas.

Ageas also recognises that its relationship with its external audit firm must be managed in a consistent and transparent manner, and is committed to defining clear roles, responsibilities and processes in order to achieve this.

---

<sup>7</sup> Commission Recommendation of 16 May 2002, Statutory Auditors' Independence in the EU: A Set of Fundamental Principles.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

## 7.2. SERVICES PROVIDED

In accordance with the policy referred to above, Ageas's external audit firm is permitted to provide the following services:

### 7.2.1. Audit Services

Audit services are services that provide assurance on the fair presentation of financial statements and encompass the following specific services:

- issuing an audit opinion on Ageas's consolidated financial statements;
- issuing an audit opinion on the statutory financial statements of the Company and its subsidiaries, where legally required;
- issuing a review opinion on interim financial statements;
- in general: issuing any opinion assigned to the statutory auditor by local legislation or regulations.

### 7.2.2. Audit-Related Services

Audit-related services are assurance services or other work that is reasonably related to performing the audit and review of Ageas's financial statements. Audit-related services result in a certification, a specific opinion, a report or an investigation and can be characterised as non-recurring.

These services include the following:

- accounting consultations related to accounting, financial reporting or disclosure matters not classified as 'audit services';
- assistance with understanding and implementing any new accounting and financial reporting guidance from rule-making authorities;
- financial audits of employee benefit plans;
- established or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters;
- consultations regarding internal control reporting requirements;
- opinions/audit reports on information provided by Ageas at the request of a third party (prospectus, comfort letters).

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### 7.2.3. Non-Audit Services

The external audit firm is permitted to provide Ageas with any non-audit service that is not otherwise prohibited (as outlined below). Permitted non-audit services include:

##### **Tax Services**

Tax services such as tax compliance, tax planning and tax advisory services, including advice on transfer pricing. Tax compliance generally involves preparation of original and amended tax returns, claims for refund and tax payment planning services. Tax planning and advice encompasses a diverse range of services, including assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans and requests for rulings or technical advice from the tax authorities. In no event shall the auditors negotiate with the tax authorities on behalf of Ageas.

##### **Due diligence services pertaining to potential business acquisitions**

##### **Consulting Services**

Under the Ageas Policy on the Independence of the External Audit Firm, the external audit firm may not provide services which could violate the basic principles of independence referred to above. This implies that the following categories of services are prohibited:

1. Bookkeeping or other services related to Ageas's accounting records or financial statements
2. Appraisal or valuation services or fairness opinions
3. Financial information systems design and implementation
4. Actuarial services
5. Internal audit outsourcing services
6. Management duties, executive recruiting and human resources services
7. Broker-dealer services, investment advisory or investment banking services
8. Legal and expert services
9. Forensic audit
10. Model validation
11. Commission and contingent fee arrangements
12. Tax services to any person who serves in a 'financial reporting oversight role' for the client or one of its major subsidiaries, with the exception of personal tax services at the request of Ageas
13. Tax services with the sole purpose of changing the taxable result or avoiding taxation, or tax treatment not endorsed by the tax authorities and related regulation
14. Any other service that by (local) regulation is illegal.

In case of doubt, the final decision is taken by the General Auditor and communicated, together with the grounds on which it was taken, to the Audit Committee.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### 7.3. PRE-APPROVAL PROCEDURES

The Audit Committee delegates to the General Auditor the authority to pre-approve all non-audit services to be delivered by the ageas SA/NV statutory auditor up to an amount of EUR 250,000. For amounts in excess of EUR 250,000 the Audit Committee Chair takes the decision based on advice provided by the General Auditor, including the grounds on which the advice is based. A tendering process is required for each non-audit service (or each group of interrelated non-audit services) which is anticipated to generate fees in excess of EUR 250,000, unless the General Auditor grants an exception. The General Auditor reports all such approved non-audit services to the Audit Committee on a quarterly basis.

#### 7.4. ROTATION OF THE AUDIT PARTNER

Ageas requires its external audit firm to adhere to a rotation policy that achieves an appropriate balance between going concern (effectiveness and efficiency, e.g. audit costs), risk management, independence and credibility. This entails a rotation of the Audit Partner after a maximum period of seven years. For the purpose of this policy the Audit Partner is defined as the partner who takes responsibility for signing off the auditor's opinion on the consolidated financial statements. Other key audit partners at Company level or at the level of major subsidiaries also rotate after seven years.

#### 7.5. APPOINTMENT OF THE EXTERNAL AUDIT FIRM

The external audit firm is appointed for a period of three years. On such occasions the Audit Committee assesses the performance of the external audit firm and advises the Board on the outcome of the assessment. To obtain an objective measure against stated criteria, the external audit process is assessed on a bi-annual basis by means of a survey completed by Ageas Executive managers and Audit Committee members. Every three years the Board advises the General Meeting of Shareholders on the appointment or reappointment of the external audit firm.

#### 7.6. RESPONSIBILITY OF THE EXTERNAL AUDIT FIRM

The external audit firm maintains a quality control system that provides reasonable assurance that its independence will not be impaired and reports annually to the Audit Committee on all aspects relevant to independence, including any possible conflicts, and how these have been dealt with. The external audit firm confirms its independence in writing annually. The external audit firm, furthermore, reports annually to the Audit Committee on its quality control systems for audit independence in general, and on the quality control measures for the independence of audits relating to Ageas in particular.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### 7.7. HIRING ARRANGEMENTS

To prevent a potential conflict of interest, Ageas and its external audit firm have agreed on a restricted hiring policy:

- Ageas shall not hire partners of its external audit firm who have been involved in Ageas audits within the previous two financial years;
- the external audit firm shall not hire senior managers from Ageas to participate in Ageas audits within two years of the termination of their employment contract with Ageas;
- Ageas shall obtain prior approval from its external audit firm to hire members from its audit teams involved in the current audit of Ageas. The same applies to the external audit firm.

#### 7.8. COMMUNICATION

Ageas will publish this Policy on the Independence of the External Audit Firm, as well as any changes thereto, on its website. Ageas will disclose in its Annual Report the audit and non-audit fees incurred for professional services provided by its external audit firm during the reporting period. In this disclosure the total fee charged by the external audit firm will be broken down into fees for audit services and for non-audit services, in accordance with the main categories.

APPENDIX 8

## THE GROUP AS AN INSTITUTIONAL INVESTOR

---

### 8.1. INTRODUCTION

Investment activities at Ageas are spread across a number of entities, referred to hereafter as 'asset management units'. Investment activities take place either with respect to the assets managed on behalf of Ageas clients and insurance policyholders, or with respect to proprietary funds.

In due observance of sound governance principles, accountability for investment policies – including whether or not voting rights are exercised – lies at the level of the asset management units. The Ageas Executive Committee does not set detailed voting policies, as these could lead to conflicts of interest (or the appearance thereof) between Ageas asset management units and other Ageas entities.

### 8.2. POLICY ON VOTING BEHAVIOUR OF ASSET MANAGEMENT UNITS

Guidance from the Executive Committee to its asset management units therefore consists of three basic principles. Ageas asset management units should:

- act in accordance with Ageas values and with general principles of business conduct applicable at Ageas, and with all specific rules and best practices applicable to institutional investors in the country or countries in which they do business;
- communicate to the Company Secretary their voting policies;
- communicate to the Company Secretary any major issue they anticipate in the annual or extraordinary shareholders' meetings of Benelux companies where they cast their votes. Such communication shall only take place after the voting behaviour has been determined in accordance with the prevailing voting procedures within the relevant asset management unit and irrevocably passed on to the proxy voting service provider, or after votes have been otherwise irrevocably cast.

## ■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

### APPENDIX 9

## CONFLICT OF INTEREST POLICY

---

This document includes excerpts of Ageas's conflict of interest policy as approved by the Board:

### Scope of the Policy

This document sets out Ageas's principles for preventing, identifying and managing conflicts of interest that may arise between Ageas, its clients, suppliers and/or employees.

It serves as a guide for Ageas and its employees and provides assurance that conflict of interest situations will be properly disclosed, reviewed and addressed.

These principles have been primarily established for all persons working for ageas SA/NV, AG Insurance SA/NV and Ageas Insurance International N.V.

The policy provides global minimum standards to ensure compliance with the relevant rules.

Ageas's operating companies will introduce additional procedures, as necessary, to ensure that applicable local laws, regulations and codes of conduct are adhered to at all times.

### Policy

A conflict of interest arises when the interests of Ageas or of a related person linked to Ageas directly or indirectly by employment, contract or control adversely affect a duty owed to an Ageas client, or when the interests of an employee adversely affect the duty of loyalty or objectivity he/she owes to Ageas.

Personal conflicts of interest (between the private interests of employees and Ageas's business interests) may arise in particular because of outside activities, transactions, contracts or arrangements and in general because of financial, social, political or other personal interests that interfere with the employee's professional responsibilities and time commitments, and are contrary to Ageas's own interests.

ageas.



## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

Ageas employees are expected to perform their tasks and responsibilities with full dedication and commitment. Outside activities may not be to the detriment of their responsibilities towards Ageas. Any conflict of interest or semblance thereof should be avoided. Outside activities must not involve a risk of reputational or financial damage to Ageas and/or the employee (cf. Appendix 5: Ageas Principles of Business Conduct. Chapter 5.3.3. Internal Relationships – Separation of Business and Private Interests).

The Ageas employment conditions (Work Rules) therefore also refer to the employees' obligations in this matter.

In any event employees should refrain from assuming any additional function or office outside Ageas without prior approval.

It is also prohibited for employees to use their Ageas-related professional status or job title to obtain advantages, whatever these might be.

#### Procedure

- It is first and foremost the responsibility of the employee to assess, prior to accepting an outside function or office, the potential risks of damage to the interests or reputation of Ageas.
- Employees must nevertheless inform the Group Compliance Officer and their line management of their intention to take on an additional function or office outside Ageas as well as of any intention to participate financially in a trading company, and ask for their approval.

*N.B. Within 30 days of commencing employment at Ageas, the employee must make an initial notification of any external activities or offices already pursued or held.*

- Based on the information contained in the notification, the Compliance Officer will advise management (level Executive Management) in writing, taking into account:
  - The risk of a conflicting interest,
  - The reputational risk to Ageas.

The Compliance Officer's advice may be:

- No objection
- Subject to conditions
- Negative

- Based on the advice of the Compliance Officer, management will decide on the admissibility of, and/or any restrictions on or conditions for the acceptance of, the additional outside activity or office. This decision will be binding.
- Management will inform the employee of its decision in writing, copying in the Compliance Officer and the responsible Human Resources manager.
- The employee is requested to inform his line management and the Compliance Officer of any changes in his performance of additional activities or offices.

*N.B. Political and socially-elected offices are not subject to any prior authorisation by the employer; they should nevertheless be declared.*

ageas.



## APPENDIX 10

# ANTI-BRIBERY POLICY

---

This Policy applies to all subsidiaries, organisational entities and affiliates of Ageas worldwide and to their employees. Should compliance with the Ageas Anti-Bribery Policy result in non-compliance with local legislation and regulations, the latter must take precedence over the Ageas Policy. Group Compliance must be consulted immediately in such circumstances.

This Policy reflects the frame of mind in which Ageas wants to do business.

In joint ventures where Ageas does not have control, the policy of the major shareholder will apply, provided that it complies with the ideals and the standards laid down in this Policy. Should this not be the case, the Compliance Officer should be informed.

### Ageas Anti-Bribery Principles

Ageas prohibits bribery in any form whatsoever, whether direct or indirect.

- “Direct” or “indirect” means that Ageas not only prohibits bribery (or attempts to bribe) within its operations through direct contact with third parties, but also does not tolerate bribery perpetrated by intermediaries.
- “In any form” means that Ageas does not tolerate either active bribery (acting corruptly by giving or attempting to give a bribe) or passive bribery (acting corruptly by seeking, agreeing to accept or accepting a bribe).
- “Prohibits” means that the zero-tolerance principle applies.

### Anti-Bribery Programme

Every Ageas entity should carry out an assessment of the risks of bribery to its operations and develop training programmes tailored to the level of risk and to the knowledge and experience of the employees and business partners.

At joint ventures where Ageas does not have control, the policy of the major shareholder will apply. Ageas should, however, check if such a policy is being properly implemented.

Adequate measures and procedures designed to prevent bribery should be taken and implemented.

Ageas has an Internal Alert System, a secure and accessible channel through which employees and others should feel able to raise concerns and report violations in confidence and without risk of reprisal.

## ■ APPENDICES ■

### TO THE CORPORATE GOVERNANCE CHARTER

#### **Independent control function**

Ageas conducts regular audits to ensure compliance with this Policy and/or prevailing legislation and regulations. These audits are conducted independently (either by Internal Audit, Compliance or by external auditors).

#### **Management oversight and control**

In line with these commitments, Ageas and its employees are prohibited from engaging in, or facilitating, any form of bribery in any way whatsoever.

They are also required to exercise the appropriate level of care and diligence when dealing with customers in order to identify suspicious behaviour and transactions, and to avoid any involvement in corruption and or bribery.

The Chief Executive Officer, the other Executive Managers and line management are responsible and accountable for ensuring that the employees under their supervision comply with the Ageas Anti-Bribery Policy, in accordance with the supervisory requirements at their locations.

The Board of Directors, the Chief Executive Officer and the other Executive Managers should therefore demonstrate visible and active commitment to the implementation of this Policy.

## ■ APPENDICES ■

TO THE CORPORATE GOVERNANCE CHARTER

### APPENDIX 11

## FIT AND PROPER PRINCIPLES

---

Sound Governance of a financial institution means that persons who have responsibility at the highest level comply with fit & proper rules. These standards of expertise and professional integrity are fully part of an effective organization and internal control system. Hence ageas SA/NV has implemented a Fit and Proper Policy which applies to all subsidiaries, organisational entities and affiliates of Ageas worldwide.

The concepts of expertise (fit) and professional integrity (proper) should be understood in their widest senses in order to consider whether a person has the qualities required for a given position. The criteria laid down in the Fit and Proper Policy introduce a framework in which the analysis of fitness (expertise) and propriety (professional integrity) can be conducted. It is important that the fit and proper character must be of ongoing attention (i.e. before appointment or taking office, but also during the exercise period of the function).

In joint ventures where Ageas does not control the affiliate, the policy of the majority shareholder is applicable, provided that, ideally, it complies with the standards laid down in this Policy. Should this not be the case, the Compliance Officer should be informed.

Ageas's Fit and Proper Policy applies to all members of the Board (executive or non-executive board members, independent or not), to the other Executive managers and to the transversal control functions.