



# Corporate Governance Statement

Annual report KBC Ancora 2021/2022

## **KBC Ancora**

Legal form: Public limited liability company

Registered office: Muntstraat 1, 3000 Leuven, Belgium

LEI 549300I4XZ0RR3ZOSZ55

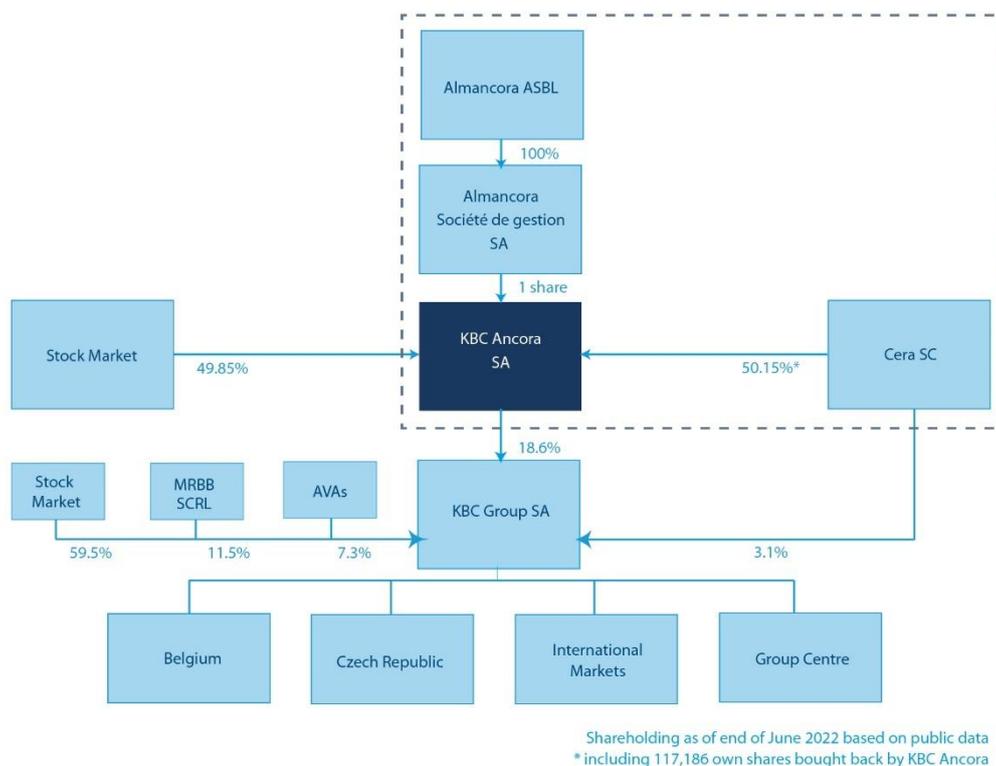
Company number: 0464.965.639

**[www.kbcancora.be](http://www.kbcancora.be)**

## Group structure

Chart 6 shows KBC Ancora's group structure within the KBC group. The dotted line indicates the companies that belong to the Cera/KBC Ancora group.

Chart 1: Group structure<sup>1</sup>



## Almancora ASBL

The object of Almancora ASBL ('Association sans but lucratif') is to support the stability and continuity of KBC Group. As the sole shareholder of Almancora Société de gestion, Almancora ASBL takes the decisions at the General Meeting of Shareholders of Almancora Société de gestion and determines the composition of its Board of Directors.

Almancora ASBL's Board of Directors comprises the representatives of Cera members serving on the Board of Directors of Almancora Société de gestion SA and the managing directors of Almancora Société de gestion.

<sup>1</sup> AVAs: Other Permanent Shareholders

M.R.B.B.: Maatschappij voor Roerend Bezit van de Boerenbond CVBA.

These parties together with Cera and KBC Ancora constitute the stable shareholders of KBC Group and have entered into a shareholder agreement to this end with a view to supporting the general policy of KBC Group (see KBC Ancora ).

### Almancora Société de gestion SA

KBC Ancora does not have a Board of Directors of its own but is instead managed by a statutory director: Almancora Société de gestion SA. In this role, the duties of Almancora Société de gestion SA include setting out the policy to be pursued by KBC Ancora.

Almancora Société de gestion's Board of Directors (see Board of Directors of Almancora Société de gestion SA) is made up of at least four representatives of Cera members, at least two managing directors and at least three independent directors.

### KBC Ancora SA

KBC Ancora's principal activity is the maintenance and management of its shareholding in KBC Group with a view to ensuring, in collaboration with Cera, MRBB and the Other Permanent Shareholders, the shareholder stability and continuity of KBC Group. To this end, KBC Ancora signed a shareholder agreement with these parties on 23 December 2004. Cera and KBC Ancora are viewed as a single party for the purposes of the agreement.

In December 2012, Cera and KBC Ancora contributed additional KBC Group shares which they already held to the shareholder agreement between Cera, KBC Ancora, MRBB and the Other Permanent Shareholders, so that this agreement continued to represent more than 30% of the total number of KBC Group shares, including after the capital increase effected by KBC Group in December 2012.

On 1 December 2014 Cera and KBC Ancora, together with MRBB and Other Permanent Shareholders, extended their collaboration as a syndicate in updated form with respect to KBC Group for a further term of ten years. In this connection, Cera, KBC Ancora, MRBB and the Other Permanent Shareholders contributed all the shares they held at that time to the shareholder agreement.

The shareholders' agreement currently represents 167.1 million KBC Group shares, equivalent to 40.08% of the total number of KBC Group shares in issue. Cera and KBC Ancora have together committed 88.6 million KBC Group shares, or 21.26% of the total number of KBC Group shares. KBC Ancora has committed 77.5 million KBC Group shares, or 18.59% of the total, and Cera the rest.

## Statutory director's report

### Declaration in connection with risks

Certain risk factors could have an impact on the value of the assets held by KBC Ancora and on its ability to distribute a dividend.

KBC Ancora's assets consist almost entirely of a participating interest in KBC Group. For information on the specific risks to which KBC Group is exposed, reference is made to the annual report and press releases of KBC Group, which are available on the website [www.kbc.com](http://www.kbc.com).

A fall in the KBC Group share price will inevitably have a negative influence on the value of KBC Ancora's assets.

The investment in KBC Group is funded from capital and reserves in combination with loans from financial institutions. At the balance sheet date, those loans amounted to EUR 243 million. These are long-term loans carrying fixed rates of interest, with repayment dates in 2024 (EUR 143 million) and 2027 (EUR 100 million). KBC Ancora closely monitors the interest-rate and refinancing risk.

In principle, KBC Ancora's recurring income consists mainly of the dividend it receives from its participating interest in KBC Group.

In the event that KBC Ancora does not receive a dividend from its participating interest in KBC Group in any given financial year, KBC Ancora will itself not pay a dividend in that year. If KBC Ancora once again receives KBC Group dividend in a subsequent financial year, its carried-forward result will be taken into account when determining the profit available for distribution.

### Declaration concerning effective corporate governance

KBC Ancora attaches great importance to corporate governance.

It applies the Belgian Corporate Governance Code 2020 as a reference code. It is committed to implementing the 2020 Code as fully as possible.

KBC Ancora's Corporate Governance Charter explains the principal elements of the company's policy in relation to corporate governance. It is available on the website [www.kbcancora.be](http://www.kbcancora.be).

As KBC Ancora is managed by a statutory director, the provisions of the Belgian Corporate Governance Code are applied at the level of the Board of Directors of Almancora Société de gestion SA.

The Board of Directors of Almancora Société de gestion applies the principles from the Corporate Governance Code in full. It deviates from the provisions of the Code where the specific characteristics of KBC Ancora or its statutory director or specific circumstances make this necessary. In such cases the deviation is explained in accordance with the 'comply or explain' principle.

KBC Ancora's Corporate Governance Charter deviates from only a small number of the provisions of the Code.

Contrary to Provisions 2.13, 4.1 and 4.21 of the Corporate Governance Code, the Appointments Committee of Almancora Société de gestion may submit proposals directly (i.e. without the intervention of the Board of Directors) to the General Meeting of Shareholders of Almancora Société de gestion as regards the appointment of A, B and C directors. This offers the best guarantee of an independent nominations policy, in which the focus is exclusively on KBC Ancora's interests.

In addition, contrary to Provisions 7.7 and 7.8 of the Corporate Governance Code, the members of the Day-to-Day Management Committee receive no variable remuneration for their actual and set functions within KBC Ancora, and contrary to Provision 7.6 of the Corporate Governance Code, the executive and non-executive directors receive no remuneration in the form of shares in the company. Lastly, contrary to Provision 7.9 of the Corporate Governance Code, no obligation is

imposed on the members of the Day-to-Day Management Committee to hold a minimum number of shares in the company.

KBC Ancora's Corporate Governance Charter was comprehensively revised on 26 June 2020 to bring it into line with the provisions of the Belgian Companies and Associations Code, the 2020 Corporate Governance Code and the recent amendments to the Articles of Association of KBC Ancora and Almancora Société de gestion which came into effect on 1 January 2020.

## Management structure

Almancora Société de gestion was appointed in KBC Ancora's Articles of Association as statutory director for the entire duration of the company. Its mandate may only be terminated under exceptional circumstances. The statutory director may however choose to resign without having to seek the endorsement of the General Meeting of Shareholders.

Almancora Société de gestion is authorised as statutory director to do all that is necessary for or conducive to the achievement of the company's object, with the exception of powers that are reserved by law for the General Meeting of Shareholders.

Almancora Société de gestion receives no remuneration for exercising its mandate as director, but costs incurred during the exercise of that mandate are reimbursed.

Following an amendment to the Articles of Association on 25 October 2019, KBC Ancora's legal form was amended with effect from 1 January 2020 from a partnership limited by shares to a company limited by shares with a sole director. Making this change, use was made of the possibilities created by the 'renewed' legal form of a company limited by shares to include provisions in the Articles of Association which restate the essence of what made a partnership limited by shares particularly suited for anchoring purposes.

The following provisions of the Articles of Association are of particular relevance in this context:

- Article 12: The Company shall be managed by a single statutory director.
- Article 13: The mandate of the statutory director may only be revoked if there is a legitimate reason for doing so;
- Article 29: Decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director may only take effect when and on the condition that the statutory director consents to them.

The statutory director has joint and several liability for the commitments of the company dating from before the conversion from a partnership limited by shares to a public limited liability company.

## Board of Directors of Almancora Société de gestion SA

The following changes took place in the composition of the Board of Directors in the year under review:

- At the General Meeting of Shareholders of Almancora Société de gestion held on 26 November 2021, Philippe Vanclooster was appointed as a C director for a term of four years, succeeding Herman Vandaele, who had reached the age limit set in the Articles of Association.
- At the meeting of the Board of Directors of Almancora Société de gestion held on 26 November 2021, FINTRAC SPRL (with Marc De Ceuster as permanent representative) was appointed Chair of the Board of Directors, succeeding Herman Vandaele.

Table 5 shows the composition of the Board of Directors of Almancora Société de gestion and the committees set up under the Board's aegis. The number of meetings attended by each Board member is reported for the Board of Directors and its committees. The Board met twelve times in the financial year 2021/2022; the Day-to-Day Management Committee met twelve times; the Audit Committee met seven times, the Appointments Committee four times and the Remuneration Committee twice.

*Table 1: Composition of the Board of Directors of Almancora Société de gestion SA and summary of attendance*

| Name   | End of current term | A directors | B directors | C directors | Day-to-Day Management Committee | Audit Committee | Appointments Committee | Remuneration Committee |
|--|---------------------|-------------|-------------|-------------|---------------------------------|-----------------|------------------------|------------------------|
| Franky Depickere   | 2022                | 12          |             |             | 12                              |                 | 4                      |                        |
| Katelijan Callewaert   | 2024                | 12          |             |             | 12                              |                 |                        |                        |
| Johan Massy  | 2025                |             | 12          |             |                                 | 7               | 4                      | 2                      |
| Liesbet Okkerse  | 2024                |             | 12          |             |                                 |                 |                        |                        |
| Joseph Peeters   | 2023                |             | 12          |             |                                 |                 |                        |                        |
| Luc Vandecatseye   | 2023                |             | 12          |             |                                 |                 |                        |                        |
| Henri Vandermeulen   | 2024                |             | 12          |             |                                 |                 |                        |                        |
| BODA SCS (with Rita Van kerckhoven as permanent representative)                      | 2024                |             |             | 12          |                                 | 7               | 4                      |                        |
| FINTRAC SPRL (with Marc De Ceuster as permanent representative) <sup>1</sup> (Chair) | 2023                |             |             | 12          |                                 | 4               | 4                      | 2                      |
| Herman Vandaele (Until 26.11.2021)   | 2021                |             |             | 4           |                                 |                 | 3                      |                        |
| Philippe Vanclooster <sup>2</sup> (since 26.11.2021)                                 | 2025                |             |             | 8           |                                 | 3               | 1                      | 2                      |
| VISIONALITY SPRL (with Christiane Steegmans as permanent representative)             | 2025                |             |             | 7           |                                 | 5               |                        |                        |

<sup>1</sup> FINTRAC SPRL, with Marc De Ceuster as permanent representative, has been Chair of the Board of Directors since 26 November 2021, as well as Chair of the Appointments Committee and Chair of the Remuneration Committee (in each case, succeeding Herman Vandaele).

<sup>2</sup> Philippe Vanclooster has been a member of the Board of Directors since 26 November 2021. Since taking up his mandate, he has attended all meetings of the Board of Directors. He was appointed on 26 November 2021 as a member of the Appointments Committee (succeeding Herman Vandaele), as a member of the Remuneration Committee (succeeding Herman Vandaele) and as a member of the Audit Committee (succeeding FINTRAC SPRL). On 24 January 2022, he was appointed Chair of the Audit Committee (replacing FINTRAC SPRL).

### Composition of the Board of Directors

The mandate of the statutory director, Almancora Société de gestion, may only be terminated with its agreement or by the courts, if there are lawful reasons for doing so. For this reason, a great deal of attention has been paid to the way in which the Board of Directors of Almancora Société de gestion is constituted. Account was taken when drafting the Articles of Association of KBC Ancora's anchoring objective, the principles of effective corporate governance – more specifically recommendations from competent authorities – and the legal rules regarding conflicts of interest in listed companies.

The Board of Directors of Almancora Société de gestion consists of three types of directors, each with its own specific conditions for appointment:

- A directors are those whose directorship forms part of their everyday professional activity. The individuals in question are managing directors of Almancora Société de gestion, with individual powers of representation. The two current A directors are also managing directors of Cera Société de gestion, Cera's statutory director. This creates a personal link between KBC Ancora and Cera.
- B directors are non-executive directors who are members of the consultative bodies that operate within Cera Ancora ASBL as long as the latter does not oppose their candidacy. These directors personify the institutional link between KBC Ancora and Cera, as also enshrined in the description of KBC Ancora's object as set out in its Articles of Association.
- C directors are independent directors. They are appointed because of their independence vis-à-vis the management of KBC Ancora, Cera and the KBC group.

Directors are appointed for a maximum term of four years.

A directorships are renewable without limit but end by operation of law at the moment that the director concerned reaches the statutory retirement age. B directorships end by operation of law in any event following the Annual General Meeting of Shareholders held in the sixteenth year of the directorship or after the General Meeting of Shareholders following the year in which the director in question has reached the age of 70 years. C directorships end by operation of law in any event following the Annual General Meeting of Shareholders held in the twelfth year of the directorship or after the General Meeting of Shareholders following the year in which the director in question has reached the age of 70 years.

Directorships may be renewed. If a directorship is renewed within the same category, the director concerned may be reappointed one or more times on expiry of each term of office, though only for immediately following terms.

In cases where the Internal Rules permit the taking up of a directorship in a different category, possibly following a cooling off period of two years, the maximum total term of the directorship is calculated taking into account the years spent as a director in both categories.

In the event that there are one or more unfilled directorships, the remaining directors of the same category are authorised to co-opt a new director from among the candidates proposed by the Appointments Committee. The mandate of a co-opted director is submitted for ratification to the next General Meeting of Shareholders.

The Board selects a chairman from among its B and C members.

There must be a minimum of three C directors. The A and C directors together constitute the majority on the Board of Directors. Persons may only be appointed as A, B or C directors by the General Meeting of Shareholders at the nomination of the Appointments Committee of Almancora Société de gestion. The C directors constitute the majority of the members of this Appointments Committee.

All C directors meet the specific independence criteria set out in Provision 3.5 of the Corporate Governance Code and the independence criteria as referred to in Section 7:87 of the Belgian Companies and Associations Code.

Since 1 January 2017, at least one third of the members of the Board of Directors must be of a different gender from the remaining members. On the balance sheet date, the Board of Directors consisted of four women and seven men, thus meeting the requirements of the law.

### Powers of the Board of Directors

The Board of Directors of Almancora Société de gestion is authorised to perform all acts which are necessary for or conducive to the achievement of the company's object and, in the context of its directorship of KBC Ancora, for the achievement of KBC Ancora's object.

In exercising its directorship within KBC Ancora, Almancora Société de gestion pays particular attention to KBC Ancora's object. That object is aimed at the maintenance and management of a participating interest in KBC Group, or every company and/or group of companies which is a continuation thereof in order, together with Cera, to achieve and maintain the anchoring of KBC Group as described in the KBC Ancora Articles of Association.

The Board of Directors carries out all tasks which are assigned to it by law and/or the Articles of Association. Decisions on the company's strategy, its values and the focus of its policy take account of the consultations between KBC Ancora and Cera.

The Board of Directors exercises these powers with regard both to the management of Almancora Société de gestion itself and in relation to the management of KBC Ancora, given the capacity of Almancora Société de gestion as statutory director of KBC Ancora, all in accordance with the respective provisions of the Articles of Association. Where relevant, the Board of Directors also takes account of the cost-sharing agreement between Cera and KBC Ancora (see **Error! Reference source not found.**).

The Board of Directors is also authorised, in view of the capacity of Almancora Société de gestion as statutory director of KBC Ancora, to consult and collaborate with Cera in the light of their parallel anchoring objective.

Almancora Société de gestion is bound to implement its mandate as statutory director personally. However, as permitted by KBC Ancora's Articles of Association, the Board of Directors of Almancora Société de gestion has delegated the day-to-day management of KBC Ancora and of Almancora Société de gestion, as well as the implementation of the decisions taken by the statutory director, to two A directors who together constitute the Day-to-Day Management Committee.

### Functioning of the Board of Directors

The functioning of the Board of Directors is governed by the Articles of Association, supplemented by the relevant provisions of the Belgian Companies and Associations Code. Further details are contained in the 'Guidelines for Directors of Almancora Société de gestion for the exercise of their directorship', which form part of the Internal Addendum to the KBC Ancora Corporate Governance Charter.

The Board of Directors met twelve times in the year under review. Each of these meetings was attended by virtually all members. In addition to its traditional duties (adopting the annual and interim results, proposing the appropriation of the result, monitoring the activities of the Audit Committee, Appointments Committee and Remuneration Committee, approving the budgets, etc.), the Board of Directors also addressed the following topics among others in the financial year 2021/2022:

- Monitoring the strategy and results of the KBC group and the functioning of the shareholder syndicate;
- Valuation of KBC Ancora's financial fixed assets;
- Decision to implement full reversal of impairments applied to the KBC Group shares held by KBC Ancora in portfolio;
- Repayment of the loans which mature in May 2022;
- Decision to distribute a one-off additional interim dividend on 9 December 2021 amounting to EUR 2.30 gross per KBC Ancora share;

- Attending to succession of directorships (reappointment of a B director and a C director, appointment of a C director, appointment of the Chair of the Board of Directors, appointment of a member and Chair of the Audit Committee, appointment of a member and Chair of the Appointments Committee and appointment of a member and Chair of the Remuneration Committee);
- Confirmation of KBC Ancora's dividend policy and announcement of the intention to repurchase shares to an amount of EUR 50 million;
- Decision to distribute an interim dividend on 9 June 2022 of EUR 6.49 gross per KBC Ancora share and to propose to the General Meeting of KBC Ancora shareholders not to declare a final dividend for the financial year 2021/2022;
- Decision to repurchase shares to an amount of EUR 50 million commencing on 10 June 2022;
- Budgets for the financial year 2022/2023.

## Committees appointed within the Board of Directors

### Day-to-Day Management Committee

#### Composition:

The Day-to-Day Management Committee is a collegial body and comprises the two A directors. The term of office of the members of the Day-to-Day Management Committee ends on expiry of their term of office as A directors on the Board of Directors.

#### Powers:

The Day-to-Day Management Committee prepares the meetings of the Board of Directors and forwards proposals for decisions to the Board.

The Committee exercises its powers autonomously, but always within the framework of the general strategy as adopted by the Board of Directors.

The Day-to-Day Management Committee is authorised to conduct the day-to-day management of both Almancora Société de gestion and KBC Ancora.

#### Functioning:

The Day-to-Day Management Committee has been charged by the Board of Directors with the day-to-day management of the company. In principle, the Day-to-Day Management Committee meets once a month. The Committee met twelve times in the year under review. In addition, there were of course ongoing informal contacts between the Managing Directors.

### Audit Committee

#### Composition:

The Audit Committee comprises a minimum of three directors, other than A directors. More than half the members of the Audit Committee must be C directors.

C directors are independent directors, all of whom meet the independence criteria set in the Belgian Corporate Governance Code and in Section 7.87 of the Belgian Companies and Associations Code.

Philippe Vanclooster and Christiane Steegmans (permanent representative of VISIONALITY SPRL) were designated as the Audit Committee members with specific experience in relation to accounting and audit.

**Philippe Vanclooster** holds a *licentiaat* degree in Law (RUG Ghent), a *licentiaat* degree in Economic Law (ULB Brussels) and a diploma in Fiscal Studies (Ehsal Institute). He was a Tax Partner at PwC from 2000 to 2020 and a member of the Board of Directors of IAB from 2016 to 2020. Since 2020 he has been a member of the Board of Directors of the Institute for Tax Advisors & Accountants

(ITAA), chair of the ITAA Tax Unit, chair of the Professional Affairs Committee of CFE and a director of CFE -Tax Advisors.

**Christiane Steegmans** (permanent representative of VISIONALITY SPRL) obtained a Master's degree in Commercial Engineering at the Solvay Brussels School of Economics and Management at Université Libre de Bruxelles. After performing finance assignments in a variety of sectors, she joined IBM Consulting as an associate partner, working on financial advisory assignments and on setting up a system of shared services. She followed this with a variety of financial and strategic roles at Delhaize Group, at both Belgian and European level. When she left Delhaize in 2013, Christiane was Senior Vice President Corporate Development Belgium. She went on to fulfil a number of consultancy roles. Since 2016 she has been a partner at Innovity, a consultancy which advises company leaders on strategy, finance and governance. Christiane Steegmans has wide experience in finance and strategy in a variety of situations and sectors.

It is evident from the foregoing that a sufficient number of the independent directors who are members of the Audit Committee meet the independence and expertise criteria as laid down in Section 3.6, §1, 9° of the Belgian Companies and Associations Code, and that the Audit Committee therefore possesses sufficient relevant expertise in relation to accounting and audit.

The Audit Committee elects a chairman from among its members, who may not also be the Chairman of the Board of Directors, and appoints a secretary.

The Audit Committee is chaired by Philippe Vanclooster.

#### **Powers:**

The Audit Committee supports the Board of Directors in the performance of its supervisory tasks in respect of audit in the widest sense.

The Audit Committee's tasks relate in particular to:

- Financial reporting and communication;
- Internal control and risk management;
- Overseeing the effective functioning of the company's internal control system;
- The external audit function performed by the auditor;
- Additional audit duties.

#### **Functioning:**

The Audit Committee meets as often as necessary for its proper functioning, and at least four times a year.

The Audit Committee's activities are governed by the Internal Rules of the Audit Committee, which are incorporated in the Corporate Governance Charter.

The managing directors are not members of the Audit Committee, but are invited to attend meetings. This arrangement guarantees the necessary dialogue between the Board of Directors and the executive management.

The Audit Committee met seven times during the year under review. Among the topics discussed in the financial year 2021/2022 were the following:

- Valuation of KBC Ancora's financial fixed assets;
- Draft financial statements and draft annual report of KBC Ancora for the financial year 2020/2021;
- KBC Ancora remuneration report for the financial year 2020/2021;
- Annual discussion concerning the independence of the auditor;
- Audit planning by the auditor;
- Budgetary controls and cost-sharing agreement between Cera and KBC Ancora;
- Proposal for full reversal of impairments applied to the KBC Group shares held by KBC Ancora in portfolio;
- Repayment of the loans which mature in May 2022;

- Proposal to distribute a one-off additional interim dividend on 9 December 2021 amounting to EUR 2.30 gross per KBC Ancora share;
- Interim figures of KBC Ancora;
- Proposal to confirm KBC Ancora's dividend policy and to announce the intention to repurchase shares to an amount of EUR 50 million;
- Proposal to distribute an interim dividend on 9 June 2022 of EUR 6.49 gross per KBC Ancora share and to propose to the General Meeting of KBC Ancora shareholders not to declare a final dividend for the financial year 2021/2022;
- Proposal to repurchase shares to an amount of EUR 50 million commencing on 10 June 2022;
- KBC Ancora's budgets for the financial year 2022/2023;
- Evaluation of the effectiveness of the Audit Committee and the adequacy of the Internal Rules of the Audit Committee.

### Appointments Committee

#### Composition:

The Appointments Committee comprises a minimum of three directors. C directors form the majority of the Committee's members.

The Appointments Committee is chaired by the chairman of the Board of Directors of Almancora Société de gestion, except where the choice of his or her successor is being discussed.

#### Powers:

The Appointments Committee submits proposals directly (i.e. without the intervention of the Board of Directors) to the General Meeting of Shareholders of Almancora Société de gestion as regards the appointment of A, B and C directors.

As the majority of the Appointments Committee consists of independent, non-executive directors (C directors), the direct nomination of candidate directors offers the best guarantee of an independent nominations policy, in which the focus is exclusively on KBC Ancora's interests.

No directors may be appointed who have not been nominated by the Appointments Committee.

#### Functioning:

The Appointments Committee meets as often as necessary for its proper functioning, and at least twice a year.

The Appointments Committee's activities are governed by the Internal Rules of the Appointments Committee, which are incorporated in the Corporate Governance Charter.

The Appointments Committee met four times during the year under review. Among the matters discussed at these meetings were the following:

- Nomination for reappointment of one B director and one C director;
- Nomination for appointment of one C director;
- Filling the vacant position of Chairman of the Board of Directors;
- Filling the vacant positions of member and Chair of the Audit Committee;
- Filling the vacant positions of member and Chair of the Appointments Committee;
- Filling the vacant positions of member and Chair of the Remuneration Committee;
- Evaluation of the activities of the Appointments Committee in 2020/2021;
- Evaluation of the composition and size of the Board of Directors and the Committees.

Whenever necessary or appropriate, joint meetings are organised with the Appointments Committee of Cera Société de gestion.

### Remuneration Committee

#### Composition:

The Remuneration Committee comprises at least three directors, other than A directors, of whom the majority are C directors.

The Remuneration Committee is chaired by the Chairman of the Board of Directors of Almancora Société de gestion.

**Powers:**

The Remuneration Committee:

- Puts forward proposals regarding the remuneration policy at least every four years or whenever a material change makes this necessary (cf. Section 7:89/1 of the Belgian Companies and Associations Code) for B and C directors and for members of the Day-to-Day Management Committee (A directors);
- Puts forward proposals concerning the individual remuneration of B and C directors and of members of the Day-to-Day Management Committee in line with the approved remuneration policy (cf. Section 7:89/1 of the Belgian Companies and Associations Code);
- Prepares the remuneration report;
- Explains the remuneration report at the General Meeting of Shareholders.

Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

**Functioning:**

The Remuneration Committee meets as often as necessary for its proper functioning, and at least twice a year. The Remuneration Committee met twice in the year under review.

The Remuneration Committee has sufficient relevant expertise in the field of remuneration policy. Among the members of the Remuneration Committee, Johan Massy possesses specific experience in the field of HR management and remuneration of company directors.

**Johan Massy** (b. 1958) obtained a degree in Commerce and Business Economics from K.U. Leuven (Catholic University of Leuven) in 1981 and went on to follow the Compensation & Benefits Management programme at Vlerick Leuven Gent Management School (2007). After a short spell at Klynveld Kraayenhof & Co, from 1984 he held various positions at AB InBev, in addition to positions within the HR department. Since November 2019 he has worked at Arvesta as Process Owner Master Data.

The Remuneration Committee's activities are governed by the Internal Rules of the Remuneration Committee, which are incorporated in the KBC Ancora Corporate Governance Charter.

Among the matters discussed in the Remuneration Committee in the year under review were the remuneration of B and C directors, the job descriptions scheme and an evaluation of the functioning of the Remuneration Committee.

**Auditor**

The General Meeting of Shareholders held on 30 October 2020 reappointed KPMG Réviseurs d'entreprises SRL (KPMG) as auditor of the company for a further period of three years. KPMG Réviseurs d'entreprises appointed Kenneth Vermeire as its permanent representative.

KPMG Réviseurs d'entreprises received a fee of EUR 16,746 (excluding VAT) for the performance of its normal auditing duties in respect of the financial year 2021/2022, plus an additional fee of EUR 10,800 (excluding VAT) for extra activities in connection with the interim dividends paid on 9 December 2021 and 9 June 2022.

## Main features of the evaluation process for the Board of Directors, its committees and its individual members

The Board of Directors discusses and evaluates its size, composition and activities on a regular basis, and at least once every three years, as well as the functioning of the Board and its committees and the interaction between the Board of Directors and the Day-to-Day Management Committee. This evaluation is performed by the Board of Directors on the initiative of the chairman and assisted by the Appointments Committee. In addition, each committee tests and assesses its effectiveness regularly, and at least every three years, and submits a report on this to the Board of Directors. Where necessary, the committee in question proposes changes to the Board of Directors.

The contribution of each member of the Board of Directors is periodically evaluated in order to be able to adapt the composition of the Board of Directors to take account of changing circumstances. The evaluation takes into account their general role as directors as well as their specific roles as chairman or member/chairman of a committee, respectively. In the event of a reappointment, the commitment and effectiveness of the director are assessed in accordance with a predetermined and transparent procedure.

The Board of Directors acts on the basis of the results of the evaluation by further developing its strengths and addressing its weaknesses. Where appropriate this means that new members are proposed for appointment, that a proposal is made that existing members should not be reappointed or that measures are taken that are deemed conducive to the effective functioning of the Board of Directors.

B and C directors meet at least once a year in the absence of the A directors in order to evaluate their interaction with the Day-to-Day Management Committee.

## Diversity policy

KBC Ancora applies the following diversity policy:

The Board of Directors of Almancora Société de gestion must comprise at least nine members and be made up as follows:

- At least two A directors (executive directors);
- At least four B directors (non-executive directors who are members of the consultative bodies operating within Cera Ancora ASBL)  
These directors personify the institutional link between KBC Ancora and Cera, as also enshrined in the description of KBC Ancora's object as set out in its Articles of Association;
- At least three C directors (independent non-executive directors).

The Board of Directors is comprised in such a way as to ensure that there is sufficient expertise concerning the various activities of the company, as well as sufficient diversity in terms of competences, background, age and gender (as described in Section IV of the KBC Ancora Corporate Governance Charter). In nominating candidates, the Appointments Committee pays attention to diversity in background, age and gender, as well as to complementarity in terms of expertise, competences and experience.

The gender composition of the Board of Directors meets the requirements of Article 7:86 of the Belgian Companies and Associations Code. The present Board of Directors contains four female members (36%) and seven male members (64%). At 31 December 2021, one director was aged 50 years or younger (9%) and ten directors were aged over 50 years (91%).

## Remuneration report for the financial year

### Introduction

The remuneration policy of the company limited by shares KBC Ancora was approved by the General Meeting of Shareholders on 30 October 2020. The remuneration policy is intended to promote sustainable value creation for the company, taking into account the particular structure of the company and its final object, which in essence is aimed at maintaining and managing its participating interest in the company limited by shares KBC Group, with a view to the continuation within the KBC group of the former banking activities of the CERA group, or of any company and/or group of companies which may succeed it, in order, together with the cooperative company Cera, to realise and maintain the anchoring of KBC Group.

In an adopting the remuneration package, the following principles were characterised as crucial: internal fairness, external competitiveness, a balanced overall package, transparency and simplicity. The market conformity of the packages tested periodically using methodologies developed by external experts.

In the event of any material change, and at least every four years, the remuneration policy is submitted for approval to the General Meeting of Shareholders. There were no material changes in the remuneration policy in the year under review.

#### **Description of the procedures for the development of the remuneration policy and for setting the remuneration of individual directors and members of the Day-to-Day Management Committee**

Almancora Société de gestion receives no remuneration for performing its mandate as statutory director. It does receive reimbursement of the costs it incurs in respect of the remuneration paid to the directors and for the reimbursement of expenses paid to B and C directors.<sup>2</sup>

As KBC Ancora is managed by a statutory director, the legal provisions concerning remuneration policy and the relevant provisions of the Belgian Corporate Governance Code are applied transparently at the level of the Board of Directors of Almancora Société de gestion SA. The Board of Directors of Almancora Société de gestion has appointed a Remuneration Committee which formulates proposals in respect of the remuneration policy for B and C directors, members of the Day-to-Day Management Committee (A directors) and the other Board members, and makes recommendations concerning their individual remuneration. The Remuneration Committee has an advisory function.

The Remuneration Committee monitors trends in legislation, the Corporate Governance Code and market practices, paying particular attention to developments in the remuneration policy at KBC Group SA, and may seek external advice where necessary. The Board of Directors may also instruct the Remuneration Committee on its own initiative or at the proposal of the Day-to-Day Management Committee to investigate possible changes to the remuneration policy and to advise the Board of Directors accordingly.

Whenever necessary or appropriate, joint meetings are organised between the Remuneration Committee of Almancora Société de gestion and the Remuneration Committee of Cera Société de gestion.

#### **Declaration concerning the remuneration policy pursued during the year under review with respect to directors and members of the Day-to-Day Management Committee**

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<sup>2</sup> In addition to the payments to directors, which account for the majority of the total expenses incurred by Almancora Société de gestion in the performance of its mandate as director, Almancora Société de gestion's other operating costs are also charged in full to KBC Ancora (see **Error! Reference source not found.**).

*A directors:*

A directors exercise their mandate within Almancora Société de gestion without remuneration. They are reimbursed for their duties as members of the Day-to-Day Management Committees of KBC Ancora (see below).

*B and C directors:*

As a basic principle, non-executive directors (B and C directors) of Almancora Société de gestion receive a fair level of remuneration which is proportionate to their contribution to the policy of KBC Ancora and which is based on the following principles:

- The remuneration of B and C directors takes into account their responsibilities and time investment.
- B and C directors receive a fixed remuneration and an attendance fee for each meeting of the Board of Directors attended. The remuneration of B directors also takes into account the remuneration they receive for their membership of the Board of Directors of Cera Société de gestion.
- Given the large amount of time he/she invests in KBC Ancora, the Chair of the Board of Directors enjoys a deviating remuneration regime. He or she receives a higher fixed remuneration, but no attendance fees.
- B and C directors who are members of the Audit Committee also receive an attendance fee for each meeting of the Committee they attend. The Chair of the Audit Committee receives a fixed remuneration.
- The members of the Appointments Committee and the Remuneration Committee do not receive attendance fees, but merely reimbursement of travel expenses incurred.
- Finally, B and C directors are entitled to reimbursement of expenses incurred in exercising their function as directors.

Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

B and C directors receive no remuneration in the form of shares in the company. Since KBC Ancora is a single-asset holding company, the company's result is very largely determined by the results of KBC Group. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is moreover predicated on a very broad long-term vision. In view of this, the statutory director is of the opinion that reimbursing B and C directors partly in the form of shares in the company offers insufficient added value. For this reason, the director has chosen to deviate from Provision 7.6 of the Corporate Governance Code, which recommends that part of the remuneration of non-executive directors should be awarded in the form of shares in the company.

*The members of the Day-to-Day Management Committee of KBC Ancora:*

The Day-to-Day Management Committee, a collegial body comprising the a directors of the statutory director, is charged with the day-to-day management of KBC Ancora.

Their remuneration package is fixed contractually by Cera. With the exception of any variable remuneration of the chairman of the Day-to-Day Management Committee (which is paid in full by Cera), 20% of their total reimbursement is charged on to KBC Ancora in the context of the cost-sharing agreement between Cera and KBC Ancora (see **Error! Reference source not found.**). Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

All decisions concerning the remuneration of members of the Day-to-Day Management Committee of KBC Ancora require the consent of both the management body of Cera and the Board of Directors of the statutory director of KBC Ancora, where the costs of that remuneration are born in part by KBC Ancora.

The remuneration of the members of the Day-to-Day Management Committee, 20% of which is paid by KBC Ancora, consists of a fixed remuneration, the use of a company car or travel allowance and a competitive insurance package, which among other things includes a supplementary retirement or survivor's pension, disability insurance, hospitalisation insurance and emergency assistance insurance.

The amount of the fixed remuneration is determined on the basis of the individual responsibilities and powers of the A directors, taking into account the remuneration paid for comparable functions in the marketplace.

Franky Depickere's employment contract is of indefinite duration and commenced on 1 September 2006. It provides for severance pay amounting to 24 months' fixed remuneration. The employment contract agreed with Katelijjn Callewaert took effect on 3 August 2016 and provides for a severance package equivalent to 12 months' fixed remuneration. The company is bound to contribute to the observance of this contractual undertaking if the situation should arise.

Any variable remuneration of the members of the Day-to-Day Management Committee within Cera is not passed on via the cost-sharing agreement. The members of the Day-to-Day Management Committee also receive no variable remuneration from KBC Ancora. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is predicated on a very broad long-term vision. In the light of this, it is not entirely appropriate to formulate performance criteria, the assessment of which will inevitably be based on a relatively short-term perspective. Moreover, variable remuneration which is based solely on individual performance criteria pertaining to one member of the Day-to-Day Management Committee within KBC Ancora will inevitably be limited in scope compared with the fixed remuneration. Bearing in mind the modest share taken by KBC Ancora in the fixed remuneration (20%), the benefits of this limited variable remuneration are not sufficient to justify the administrative complexity it involves, because it would bring the personal financial interests of the members of the Day-to-Day Management Committee and the interests of KBC Ancora into line to only a limited extent. For this reason, KBC Ancora has opted to deviate from Provisions 7.7 and 7.8 of the Corporate Governance Code, which recommend that an appropriate portion of the remuneration package of the executive management be linked to the performance of the company and to the performance of the individuals concerned.

Members of the Day-to-Day Management Committee receive no remuneration in the form of shares in the company. Since KBC Ancora is a single-asset holding company, the company's result is very largely determined by the results of KBC Group. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is moreover predicated on a very broad long-term vision. In view of this, KBC Ancora is of the opinion that imposing an obligation on the members of the Day-to-Day Management Committee to hold shares in the company offers insufficient added value. For this reason, KBC Ancora has chosen to deviate from Provision 7.9 of the Corporate Governance Code, which recommends setting a minimum threshold for the number of shares in the company that must be held by the members of the executive management.

#### Relative weight of the different remuneration components

During the year under review, the fixed portion of the remuneration and the pension contributions were the most important components.

#### Features of the performance bonuses in the form of shares, options or other rights to acquire shares

Not applicable.

#### Information on the remuneration policy for the next two financial years

The Remuneration Committee periodically evaluates the remuneration policy, and at the present time has no intention of materially amending the principles on which that policy is based.

## Remuneration of individual non-executive directors of Almancora Société de gestion SA

Table 2: Remuneration of non-executive directors of Almancora Société de gestion

|   | Board of Directors<br>fixed | Board of Directors<br>attendance fee | Audit Committee<br>fixed | Audit Committee<br>attendance fee | Total          |
|---|-----------------------------|--------------------------------------|--------------------------|-----------------------------------|----------------|
| <b>Johan Massy</b>  | 5,928                       | 5,936                                | -                        | 2,968                             | <b>14,832</b>  |
| <b>Liesbet Okkerse</b>  | 3,952                       | 5,936                                | -                        | -                                 | <b>9,888</b>   |
| <b>Joseph Peeters</b>   | 4,915                       | 7,022                                | -                        | -                                 | <b>11,937</b>  |
| <b>Luc Vandecatseye</b>   | 3,952                       | 5,936                                | -                        | -                                 | <b>9,888</b>   |
| <b>Henri Vandermeulen</b>   | 3,952                       | 5,936                                | -                        | -                                 | <b>9,888</b>   |
| <b>BODA SCS</b> (with Rita Van kerckhoven as permanent representative)          | 7,949                       | 9,664                                | -                        | 2,968                             | <b>20,581</b>  |
| <b>FINTRAC SPRL</b> (with Marc De Ceuster as permanent representative)          | 30,032                      | 4,380                                | 3,884                    | -                                 | <b>38,297</b>  |
| <b>Herman Vandaele</b>  | 13,542                      | -                                    | -                        | -                                 | <b>13,542</b>  |
| <b>Philippe Vanclooster</b>   | 3,184                       | 6,044                                | 4,052                    | -                                 | <b>13,280</b>  |
| <b>Visionality SPRL</b> (with Christiane Steegmans as permanent representative) | 9,618                       | 8,015                                | -                        | 3,131                             | <b>20,765</b>  |
| <b>Total</b>  | <b>87,024</b>               | <b>58,869</b>                        | <b>7,936</b>             | <b>9,067</b>                      | <b>162,897</b> |

## Remuneration paid to individual members of the Day-to-Day Management Committee

The Day-to-Day Management Committee is a collegial body and comprises two members. The company is therefore not led by a CEO in the sense of a sole operational and responsible representative of the enterprise. Nonetheless, there is a material difference in the amounts of remuneration received by the two Managing Directors. On the one hand this difference reflects the difference in employment percentage (100% for Franky Depickere and 20% for Katelijjn Callewaert), and on the other the additional responsibilities held by Franky Depickere (including as permanent representative of Almancora Société de gestion and Cera Société de gestion, Chairman of the Day-to-Day Management Committees of KBC Ancora and Cera, Chairman of the Risk and Compliance Committee of KBC Group, KBC Bank and KBC Insurance, and numerous other mandates within the KBC group). The figures shown in table 7 are the amounts actually charged by Cera to KBC Ancora.

Table 3: Remuneration of Day-to-Day Management Committee of KBC Ancora (in EUR)

|                      | fixed   | pension** | other*** |
|----------------------|---------|-----------|----------|
| Franky Depickere*    | 139,562 | 28,145    | 2,178    |
| Katelijn Callewaert* | 14,790  | -         | 405      |

\* Mandate exercised on the basis of a self-employment contract.

\*\* The pension contributions take the form of fixed contributions to fund a supplementary retirement or survivor's pension.

\*\*\* Other remuneration comprises the use of a company car or travel allowance, hospitalisation insurance and emergency assistance insurance package.

**Ratio of highest remuneration of the members of the Day to Day Management Committee to lowest remuneration of employees**

Not applicable since KBC Ancora has no employees.

**Shares, share options and other rights to acquire KBC Ancora shares granted, exercised or lapsed during the year under review, on an individual basis**

No shares, share options or other rights to acquire KBC Ancora shares were granted or exercised during or before the year under review.

**Annual change in the remuneration of KBC Ancora in the last five financial years**

*Table 4: Trend in remuneration of B and C directors and of members of the Day to Day Management Committee of KBC Ancora (in EUR)*

|  | 2021/2022 | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|--|-----------|-----------|-----------|-----------|-----------|
| Franky Depickere                             | 169,884   | 164,667   | 163,599   | 160,818   | 156,983   |
| Katelijan Callewaert                         | 15,194    | 14,272    | 14,481    | 12,837    | 11,915    |
| Total remuneration paid to B and C directors | 162,897   | 150,455   | 148,473   | 137,793   | 131,400   |

As KBC Ancora has no employees, it is not possible to present a summary of the annual change in the average remuneration of employees.

The total amount of remuneration is in line with the remuneration policy as approved by the Ordinary General Meeting of Shareholders. In view of the limited operational activity of the company, it is not considered helpful to link the remuneration to the long-term trend in its performance. That long-term performance has to be judged in the light of the ultimate object of the company and its statutory director, which in essence is focused on realising and maintaining the anchoring of KBC Group, together with the Cera cooperative. Since the long-term performance of the company is not linked to its financial performance, it does not regard a comparison between the trend in annual remuneration and the trend in the (financial) performance of the company to be a useful exercise.

## Miscellaneous information

**Information as referred to in Article 14, paragraph 4 of the Law of 2 May 2007 concerning the disclosure of major shareholdings in issuers whose shares have been admitted for trading on a regulated market**

*Shareholder structure as at 30 June 2022*

There is a statutory requirement to disclose participating interests in listed companies of (multiples of) 5%. In addition, KBC Ancora's Articles of Association stipulate a disclosure threshold of 3%. An Extraordinary General Meeting of KBC Ancora decided at the end of October 2020 to introduce a system of loyalty voting rights, in accordance with Section 7:53 of the Belgian Companies and

Associations Code. Since then, paid-up shares which have been entered in the shareholders' register in the name of the same shareholder for a minimum of two years have conferred the right to two votes. The other shares confer the right to one vote.

On 30 October 2020 Cera Investment announced that it had exceeded the disclosure threshold of 65% as set in the Articles of Association. This was a passive exceeding of the threshold which was the direct result of the decision by KBC Ancora to introduce the loyalty voting rights system. At that time, Cera held 79,819,045 of the 118,657,091 voting rights (or 67.27% of the total number of voting rights). KBC Ancora did not receive any further transparency disclosures from Cera. This implies that at the date of this Annual Report, Cera still held between 65% and 70% of the total number of voting rights in KBC Ancora.

KBC Ancora also received no further notifications during the year under review from shareholders who had exceeded or fallen short of a notification thresholds set by law or the Articles of Association.

Table 9 summarises the shareholder structure of KBC Ancora based on all notifications received up to and including 30 June 2022.

A complete list of the participating interest disclosures received in previous financial years can be found on the KBC Ancora website.

*Table 5: Shareholder structure of KBC Ancora (situation up to 30 June 2022)*

| Informant | Date            | Total number at time of notification | Number of votes | Voting rights |
|-----------|-----------------|--------------------------------------|-----------------|---------------|
| Cera SC   | 30 October 2020 | 118,657,091                          | 79,819,045      | 67.27%        |

#### **Information as referred to in Article 34 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments that are admitted for trading on a regulated market**

On 30 June 2022 the capital of KBC Ancora was represented by 78,301,314 shares without nominal value, each representing an equal portion of the capital.

On 23 August 2022 Cera reported (pursuant to Article 74 §8 of the law of 1 April 2007 on public takeover bids) that as at 30 June 2022 it (still) held more than 30% of the shares with voting rights in KBC Ancora. Specifically, Cera reported that it held 39,151,223 KBC Ancora shares. As KBC Ancora held 117,186 treasury shares at that time, and as Cera controls KBC Ancora, this implies that, in the context of the duty of disclosure pursuant to the Law concerning public takeover bids (OBA), Cera held 39,268,409 of the total of 78,301,314 KBC Ancora shares, or 50.15% of the shares with voting rights.

KBC Ancora is managed by a statutory director appointed pursuant to the Articles of Association. At the Extraordinary General Meeting of Shareholders held on 12 January 2001, Almancora Société de gestion was appointed as statutory director for the duration of the company. The mandate of the statutory director may only be terminated with its agreement or by the courts, if there are lawful reasons for doing so. Decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director<sup>3</sup> may only take effect when and on the condition that the statutory director consents to them.

<sup>3</sup> The statutory attendance and majority requirements as set out in Section 7:153 ff. of the Belgian Companies and Associations Code also apply.

Holders of securities in which special control rights are vested

None.

Limitations to the exercise of the voting right imposed by the law or the Articles of Association

There are no limitations on the exercise of the voting right.

Each paid-up share which has been entered in the shareholders' register in the name of the same shareholder for a minimum of two years confers the right to two votes. Each other share confers the right to one vote.

As statutory director, Almancora Société de gestion does have a right of veto over decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director.

Rules governing the appointment and replacement of members of the management body and amendment of the Articles of Association

When the company was established in 2001, Almancora Société de gestion was appointed as the statutory director by the Articles of Association for an indefinite period. Its mandate may only be terminated on 'legitimate grounds'.

The attendance and majority requirements as set by the law apply for amendments of the Articles of Association. Pursuant to Article 29 of the Articles of Association, a resolution to amend the Articles of Association takes effect only when and if the statutory director agrees to it.

Powers of the statutory director in relation to the issue and repurchase of shares

Within the limits and on the conditions as set out in Article 8 of the Articles of Association, Almancora Société de gestion may decide to increase the authorised capital of KBC Ancora without seeking the prior authorisation of the General Meeting of Shareholders.

Almancora Société de gestion is also authorised to acquire or dispose of shares in the company within the limits and on the conditions as set out in Article 9 of the Articles of Association.

## Internal control and risk management

Since KBC Ancora is a single-asset holding company whose assets consist almost entirely of a substantial participating interest in KBC Group, the operational activities of KBC Ancora are fairly limited. KBC Ancora employs no staff. The operational activities are in the hands of staff of Cera (with costs being charged by Cera to KBC Ancora via the cost-sharing agreement; see **Error! Reference source not found.**).

The budgets are prepared by the Day-to-Day Management Committee and are explained and discussed in the Audit Committee before being submitted for approval to the Board of Directors. The Day-to-Day Management Committee periodically monitors the budgets and submits a report on them to the Audit Committee and the Board of Directors.

The system of internal control and risk management is characterised by the following elements:

- Sufficient information is made available to the Audit Committee to enable the cost of debt as well as the direct operating costs of KBC Ancora to be discussed and monitored in depth;
- The other operating costs are shared costs of KBC Ancora and Cera, which are borne by Cera and which to the extent that they relate to KBC Ancora are subsequently charged on to KBC Ancora. The Audit Committee of Almancora Société de gestion is closely involved in the following aspects of the discussion and monitoring of the budgets relating to the shared costs:
  - Organisation of an annual joint meeting of the Audit Committees of Cera Société de gestion and Almancora Société de gestion to discuss the budgets and cost-sharing agreement between Cera and KBC Ancora;
  - Discussion of the audit cycle during this joint annual meeting;

- The provision of transparent and regular information to the Audit Committee of Almancora Société de gestion concerning the operational activities and controls in place at Cera, in so far as these are relevant for the cost-sharing agreement between Cera and KBC Ancora;
- Taking cognisance and discussion of the annual audit report by the auditor and of the specific activities of the auditor.

The Audit Committee of Almancora Société de gestion periodically evaluates the adequacy of the existing internal control and risk management systems. In making these evaluations, the Audit Committee judged that there was no need to put in place additional control measures or to initiate an internal audit function.

### **Code of conduct in respect of conflicts of interest**

In addition to the legal provisions concerning potential conflicts of interest with a director or key shareholder (Section 7:96 in conjunction with Sections 7:102 and 7:103 and Section 7:97 of the Belgian Companies and Associations Code), the Board of Directors of Almancora Société de gestion has drawn up rules governing potential conflicts of interest between directors/members of the Day-to-Day Management Committee of Almancora Société de gestion and KBC Ancora. These rules are incorporated in the KBC Ancora Corporate Governance Charter.

No incidents occurred in the year under review for which the rules on conflicts of interest with the statutory director or the rules on conflicts of interest with a major shareholder needed to be applied. There were also no conflicts of interest between directors/members of the Day-to-Day Management Committee of Almancora Société de gestion and KBC Ancora.

### **Code of conduct to prevent market abuse**

The Board of Directors of Almancora Société de gestion has drawn up a code of conduct intended to prevent market abuse. The principles of the code of conduct have been incorporated in the KBC Ancora Corporate Governance Charter.

The code of conduct to prevent market abuse provides among other things for the drawing up of a list of insiders, the setting of annual blackout periods, the reporting of trades by directors and employees involved to the Compliance Officer and the reporting of trades by management to the Belgian Financial Services and Markets Authority (FSMA).

### **Annual notification pursuant to Article 74, §8 of the law of 1 April 2007 on public takeover bids**

The majority of the shares are held by Cera SC. On 23 August 2022 Cera reported (pursuant to Article 74 §8 of the law of 1 April 2007 on public takeover bids) that as at 30 June 2022 it (still) held more than 30% of the shares with voting rights in KBC Ancora.

Specifically, Cera reported that it held 39,151,223 KBC Ancora shares. As KBC Ancora held 117,186 treasury shares at that time, and as Cera controls KBC Ancora, this implies that, in the context of the duty of disclosure pursuant to the Law concerning public takeover bids (OBA), Cera held 39,268,409 of the total of 78,301,314 KBC Ancora shares, or 50.15% of the shares with voting rights.

This notification was made with a view to retaining the exemption from the obligation to issue a bid for the entire body of securities with voting rights of KBC Ancora NV.

### **Guidelines for the exercise of directorships**

The 'Guidelines for directors of Almancora Société de gestion for the exercise of their directorship mandates' form part of the 'Internal Addendum to the KBC Ancora Corporate Governance Charter'. They were most recently updated on 21 December 2007.

The Audit Committee oversees compliance with the 'Guidelines for directors of Almancora Société de gestion for the exercise of their directorship mandates'.

### **Openness in investor communication**

In fulfilling its duty to inform, KBC Ancora focuses on natural communication opportunities at which it not only provides accurate information but also strives to convey that information in a clear, straightforward manner.

KBC Ancora publishes its periodic financial reports, annual reports and all other information that it is required to make public as a listed company on its website [www.kbcancora.be](http://www.kbcancora.be).

This information is disseminated using the usual European media and the KBC Ancora website. In addition, every interested party has the opportunity to subscribe to the KBC Ancora electronic mailing list free of charge via the website.

Since KBC Ancora's principal asset is a major participating interest in KBC Group, specific information – which frequently relates to the underlying group results – can also be found in the KBC Group annual report and website and those of its subsidiaries.

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