

Note on Belfius Group Tax Policy

I. TAX MISSION

Belfius Bank and Belfius Insurance aim to be a well-integrated local relationship bank and insurance company which provides added value to its customers and other stakeholders and communicates in an understandable and clear manner.

Applied to the taxation of Belfius Bank, Belfius Insurance and their consolidated subsidiaries (hereinafter referred to as “the Group”), this means that the Group:

- > **(i)** on the basis of the principle of general good management, intends to be a responsible taxpayer (in the broadest sense, which includes all taxes, levies and charges), taking into account the interests of all parties involved (stakeholders), i.e. staff members, customers, shareholders, public authorities and society,
- > **(ii)** is willing to comply thoroughly with all tax laws and procedures to which it is subject, and in particular refrains from any involvement in fraud on its own behalf or on behalf of (or by) customers. In addition, in the cases provided for by law, the Group will (a) withhold taxes and levies due by the customer and remit them to the tax authorities, and (b) exchange information to national and foreign tax authorities, taking care strictly to respect the privacy of customers,
- > **(iii)** intends to organise its activities in a tax-efficient manner so as to remain sufficiently competitive, as required by good management, with each activity (structure, product or service offered) being based on economic considerations and having adequate substance,
- > **(iv)** does not wish to be established in tax havens as defined in Belgian legislation.

That is the tax mission (hereinafter referred to as “the Tax Mission”) of the Group.

II. OBJECTIVES

The mission is reflected in the following objectives for the Group's tax departments:

- > to be a proactive partner for the Group, and the guarantor of compliance with the Tax Mission,
- > to manage the Group's taxes (in the broadest sense) in accordance with the Tax Mission, with a preference for simple structures and procedures with minimum operational risk,

- > to manage and control the Group's tax risks, both for its own companies and for the services and products offered to customers, in accordance with the tax risk profile in accordance with the Tax Mission, as defined in the general policy note on tax risk management,
- > to comply with all the Group's tax obligations and pay all taxes due on time,
- > via the functional manager, to inform the board of directors of the Group's tax rights and interests, if any, and proactively defend them before the administrative and ordinary courts.

III. IMPLEMENTATION

The limits within which the above objectives are applied (i.e. the risk profile) are defined in the policy on tax risk management, which was drawn up on the basis of the Tax Mission. Within the context of this policy, the objectives are implemented as follows by the Group's tax departments:

- > (i) For external customers:
 - preparation of clear and transparent documentation indicating the tax treatment of the services and products offered,
 - provision of written advice and information on planning in accordance with the Financial Planning Act of 25 April 2014, to private customers,
 - not participating in or promoting complex tax structures without substance and not justified by economic considerations.
- > (ii) For the Group itself:
 - provision of good quality, customer-oriented, pragmatic and timely advice to internal departments,
 - proactive monitoring, communication and training of internal departments on relevant tax issues,
 - adequate and transparent semestrial reporting on the tax position, tax risks and relevant regulatory changes, to the management bodies of the Belfius Group and proactive exchange of relevant information within the different entities of the Group,
 - networking and sector consultation via professional organisations and federations,
 - investment in knowledge, in an elite team which meets all requirements in terms of quantity and quality, or, where appropriate, seeking external advice if it is felt that for a particular subject internal expertise should preferably be extended / added to external expertise, and for which there is an adequate budget in these circumstances,
 - creation of a harmonised reporting format at Group level, confirming that all obligations of the Group entities are compliant with all tax reporting.

IV. ORGANISATION

- > Each Group entity will ensure that it has a sufficiently developed, high-quality tax department. For this purpose, Belgian entities can mandate the tax department of their parent company (cf. Appendix).
- > Foreign entities have a tax manager who (i) ensures the taxation of their entity and any subsidiaries, (ii) provides a quarterly report to Belfius Bank or Belfius Insurance, as the case may be, and (iii) immediately informs Belfius Bank or Belfius Insurance of all tax rights and interests of the respective entity.

Within the limits of this tax policy note, the entity's tax manager assumes exclusive responsibility and competence for all tax matters. He/she protects the reputation of the entity in this respect, and thus indirectly that of the Group.

- > Any external communication on tax matters must have the prior approval of the head of the tax department.
- > The tax departments are not profit centres and perform their function independently, based on the documents and information made available to them by the stakeholders.

V. MISCELLANEOUS

- > Each entity of the Group is responsible for the application of this tax policy note or mandates the tax department of Belfius Bank or Belfius Insurance for this purpose.
- > As a financial group, Belfius Bank and Belfius Insurance are required to have sufficient knowledge of their tax risks as well as those of their subsidiaries. The subsidiaries must provide reports to their respective parent companies, in accordance with the reports drawn up by Belfius Bank and Belfius Insurance for the attention of the bodies of the Belfius Group. Belfius Bank and Belfius Insurance will exchange their report after approval by their respective management boards.
- > **A derogation from** the present tax policy note is only possible based on a decision of the management board of Belfius Bank/Belfius Insurance, duly approved by its respective board of directors (e.g. on the advice of the competent risk management committee). Such a decision will take into account the Group's reputational risk.
- > The tax policy note of a subsidiary may only differ from that of the Group if it is explicitly validated by its own board of directors and by the management board of Belfius Bank/Belfius Insurance.
- > This tax policy note is approved by the management board of Belfius Bank, Belfius Insurance and the boards of directors of all Group entities. If necessary, this tax policy note will be updated once a year. Any changes will be approved by the above-mentioned bodies. The tax policy note will be published on the intranet.