PENSION COMMITMENT

General terms and conditions – ref. 6150/6151 (06/2020)

(This translation is provided as an aid for policyholders or insured who are English-speaking. In the event of any differences arising as to the meaning or interpretation of any part of the general conditions, only the original French/Dutch wording will be considered valid)

Table of Contents

Pension commitment

CHAPTER I. Definitions

Article 1 – Definitions

Affiliate:

Active affiliates are those employees who belong to the category of staff for which the organiser has set up a pension commitment and who satisfy the conditions for affiliation to the pension commitment as described in the special terms and conditions.

Passive affiliates are:

- former employees who still have current or deferred rights because, on termination of employment they opted to leave their acquired reserves with the pension institution:
  - without changing the pension commitment; or
  - with the only change being a death cover that matches the amount of the acquired reserves.
- employees whose affiliation was terminated due to the fact that they no longer met the conditions for affiliation to the pension commitment, but this did not coincide with the time of termination of their employment contract.

Annuitants are considered as affiliates.

An affiliate has one of the following capacities based on marital status:

- *Married affiliate*:
  The affiliate who is legally married.
- *Affiliate registered as legally cohabiting*:
  The affiliate is legally cohabiting in accordance with the applicable legal provisions of the Civil Code, or has a status equal to a legally cohabiting affiliate in accordance with similar regulations under foreign law.
- *De facto cohabiting affiliate:*
  The affiliate does not come under the definition of a married or legally cohabiting affiliate and lives together in the context of a love affair and runs a joint household with a partner who is domiciled at the same address, to the exclusion of kinship up to and including the third degree.
- Single affiliate:
  The affiliate is not married, not legally cohabiting and not de facto cohabiting.

Current portfolio value:

The current value at a certain time calculated in proportion to the inventory base, which is the whole of inventory supplements, the technical interest rate and the mortality tables that determine the rate or the composition of the reserves.

Beneficiary:

The person(s) to whose advantage the insured benefits are agreed.

Management agreement:

This agreement is concluded between the organiser and the pension institution. It entrusts the implementation of the pension commitment to the pension institution.

Benefit statement:

The pension slip as specified in the Supplementary Pensions Act.

Collective capitalisation:

Financing method in which the organiser makes allocations and/or transfers personal contributions to the group insurance financing fund in order to finance the benefits payable based on the pension commitment. The reserves in the financing fund that are accrued by allocations and/or personal contributions are managed collectively. They are only individualised in an employer's contribution agreement and/or personal contribution agreement at the time of payment. Unless stated otherwise in the special terms and conditions, the personal contributions are used in individual capitalisation.

Supervisory authority:

The competent supervisory authorities are the Financial Services and Markets Authority (FSMA) and the National Bank of Belgium NBB).

DB2P:

The Second Pillar Database is the supplementary pensions database set up in accordance with the applicable legislation and is managed by non-profit association Sigedis.

Allocation:

Deposits into the financing fund by the organiser:

- in anticipation of the financing of the future charges arising from the insurance operations as provided in the pension rules or financing plan;
- to meet the statutory financing requirements.

Investment fund unit:

An elementary part of an investment fund.

Joint fund:

A pension institution that distributes all its profits to the affiliates in proportion to their reserves, and limits the charges in line with the rules established by Royal Decree.

Level annual premiums:

The amounts required on an annual basis to finance the retirement lump sum or the lump sum equivalent of the pension annuity, whereby the financing is calculated in such a way that the annual premiums remain level over the entire financing period, in line with constant lump sum.

Group insurance:

A pension scheme operated by the pension institution.

Individual capitalisation:

Financing method whereby the employer's and personal contributions are paid into each affiliate's individual employer's contribution agreement and personal contribution agreement. For each employer's contribution agreement and personal contribution agreement, there is a relationship between the exigible benefits, the reserves and the premiums based on the technical foundations of the pension institution.

Individual pension commitment:

An occasional, non systematic pension commitment for one employee and/or his rightful claimants. In case the special terms and conditions stipulate that the pension commitment is an individual pension commitment, the following terms should be read differently in the general terms and conditions:

- 'group insurance' becomes 'individual pension commitment insurance'
- 'pension rules' becomes 'pension agreement'
- 'pension scheme' / 'pension commitment' becomes 'individual pension commitment'
- 'financing fund' becomes 'technical provisions'.

Effective date:

The date the pension commitment is first introduced.

Organiser:

- The employer that makes a pension commitment.
- The legal person that meets all of the following cumulative conditions:
  - if the legal person acts on behalf of multiple joint committees and/or joint sub-committees, the legal person's only purpose is to accrue a supplementary pension;
  - the legal person is composed on an equal basis;
  - the legal person is designated by a collective labour agreement concluded by the joint committee or subcommittee in accordance with the applicable legal provisions.

Annual adjustment date:

On this date the rights of each affiliate are recalculated in line with the elements to be considered for calculating the rights at that time. Amendments made to the elements for calculating the rights during a year of insurance only take effect from the next annual adjustment date.

Royal Decree on Life Insurance:

The Royal Decree of 14 November 2003 on life insurance and any subsequent amendments replacing and/or supplementing the provisions of this Royal Decree.

Royal Decree on the Supplementary Pensions Act:

The Royal Decree implementing the law of 28 April 2003 on supplementary pensions and the tax system for those pensions and certain supplementary social security benefits.

Child:

Any descendant in the first degree of the affiliate and any descendant in the first degree of the partner of the affiliate who:

- is part of the family, or is part of the family at the time when the insured benefits fall due, or is part of the family of a former partner of the affiliate who has been granted custody of this child, or over whom this former partner has joint parental custody together with the affiliate, and
- for which the affiliate or the (former) partner receives child benefit, provided that the descendant is under the age of 25.

Minimum guaranteed return:

The amount that the organiser must guarantee for the employer's and personal contributions under the Supplementary Pensions Act.

Change date:

On this date the rights of affiliates are adjusted for administrative purposes, depending on one of the following situations:

- compliance with the conditions for affiliation;
- change in family situation (where this alters the rights);
- change of level of employment (employment contract for part-time work, part-time time credit and other forms of part-time thematic leave);
- suspension of the employment contract's implementation as a result of:
  - the taking of full-time time credit or other full-time thematic leave;
  - incapacity for work with loss of salary;
- forms of suspension of the employment contract's implementation with loss of salary.

The change date is the first day of the month coinciding with or following one of the events mentioned above. However, the pension institution grants immediate cover from the time of the change. The organiser forwards the request for changes to the pension institution.

Multi-organiser pension scheme:

An identical pension scheme that is introduced by several organisers and is executed by the same pension institution(s).

Partner:

Partner is understood to mean:

- the spouse of the married affiliate,
- the partner of the legally registered cohabiting affiliate,
- the partner of the de facto cohabiting affiliate.

Pension institution:

P&V Insurances sc/cv, insurance company authorised under code 0058, with its registered office at Rue Royale/Koningsstraat 151, 1210 Brussels. Vivium is a brand of P&V Insurances cv/sc.

Retirement age:

The maturity date that is stated in the pension rules. For the reception structure, this is the maturity date of the linked pension commitment.

For employees who commence employment on or after 01/01/2019, the retirement age equals the applicable statutory retirement age, unless the retirement age under the rules is higher than the statutory retirement age.

Pension rules:

The rules defining the conditions for affiliation, the rules governing the implementation of the pension scheme and the rights and obligations of the organiser, the employer, the affiliates, their rightful claimants, and the pension institution.

The pension rules consists of the general terms and conditions and the special terms and conditions of the pension commitment and the general conditions of the reception structure. Any appendices and riders to the special terms and conditions form an integral part of these rules. However, the provisions contained in the special terms and conditions and any appendices and riders take precedence over the general terms and conditions.

The text of the pension rules shall be provided by the organiser to the affiliate upon simple request. The benefit statement indicates the contact person designated for this purpose by the organiser.

Pension scheme:

The group pension commitment.

Pension commitment:

The collective or individual commitment of a supplementary retirement and/or survivor's pension in the event of the affiliate's death before or after retirement age, or the corresponding capital value allocated based the compulsory deposits provided in the pension rules to supplement a pension determined pursuant to a statutory social security scheme by an organiser to one or more employees and/or their rightful claimants.

(Early) Retirement:

The effective (early) commencement of the retirement pension with regard to the professional activity that gave rise to the accrual of benefits.

Personal contribution:

The compulsory deduction at the expense of the affiliate for the pension commitment that is kept in a separate individual employee account: the personal contribution agreement. If the personal contributions are paid into the financing fund, these contributions are registered in an individual notional account (account balance). The organiser withholds the personal contribution from the affiliate's salary in the same number of instalments as there are salary payments.

Personal contribution agreement:

The agreement that is financed by personal contributions or with an allocation from the financing fund with regard to the pension capital built up by personal contributions paid into the financing fund.

Premiums:

The employer contributions and/or personal contributions. They may include the risk premiums and the single premiums.

Reduction:

The reduction of the current value of the insured benefits when the payment of premiums is discontinued.

Reduction value:

The benefit that remains insured when the payment of premiums is stopped. If the reduction also entails the termination of the right/cover in the event of death, the reduction value shall be calculated based on the mortality tables for transactions on retirement. The pension institution is also entitled to charge a reduction fee in accordance with the statutory provisions.

Risk premiums:

The amounts due in respect of term life insurance for the duration of the insurance year. The risk premiums are recalculated on the annual adjustment or change date in line with the affiliate's age on this date.

Successive single premiums:

The amount that is required at time t to finance 1/N of the retirement lump sum or the lump sum equivalent of the pension annuity less the paid-up value already accrued, where N is the period between time t and the maturity date of the financing.

Sigedis:

The non-profit association 'Sociale individuele Gegevens – Données individuelles Sociales' which under the applicable legislation manages the information systems and supporting assignments for updating career data and administrates the supplementary pensions database referred to as 'DB2P'.

Branch 21 life insurance:

The insurance branch for insurance operations with a rate of return guaranteed by the pension institution. The terms of this guaranteed return are specified in the special terms and conditions.

Branch 23 life insurance:

The insurance branch for insurance transactions linked to investment funds. There is no performance obligation for the pension institution.

Theoretical surrender value:

The difference between the current net portfolio value of the pension institution's commitments and the current value of the net premiums related to the future renewal dates. This difference is increased with the unused part of the supplements. The technical bases used for the calculation of the theoretical surrender value are the same as used for the calculation of the premiums.

Termination of employment:

a) either the termination of the employment contract for a reason other than death or retirement, unless this termination of the employment contract is immediately followed by the signing of an employment contract with another organiser participating in the same multi-organiser pension scheme as the previous organiser, provided that there is an agreement that arranges the transfer of the rights and obligations in accordance with the regulations on supplementary pensions;
b) or the end of the affiliation due to the fact that the employee no longer meets the conditions for affiliation to the pension commitment, without this coinciding with the termination of his or her employment contract other than by death or retirement ('light' termination of employment);
c) or the transfer of an employee in connection with his or her transfer from one company or location to another company or location, as a result of a conventional assignment or a merger whereby the employee's pension commitment is not to be transferred.

Affiliated companies:

Companies as defined in Article 1:20 of the Companies and Associations Code.

Acquired benefit:

The benefits to which the affiliate is entitled in accordance with the pension rules if the affiliate leaves the acquired reserves with the pension institution at the termination of employment.

Acquired reserves:

The reserves to which the affiliate is entitled at a specific time in accordance with the pension rules.

Insurance year:

The period from the annual adjustment date of any year up to and including the day immediately preceding the next annual adjustment date. If the rules are cancelled between two annual adjustment dates, the last insurance year shall run over the period between the last annual adjustment date and the day when the rules are cancelled.

Lump sum equivalent:
The underlying capital required to ensure the annuity payment.

Supplementary Pensions Act:

The act of 28 April 2003 on supplementary pensions and the system of taxation of these pensions and of some supplementary social security benefits and any subsequent amendments that replace and/or supplement the provisions of this act.

Unit valuation:
The portfolio value of a unit is equal to the portfolio value of the fund divided by the number of units of that fund.

Valuation of a fund:
The determination of the portfolio value based on the net portfolio value of the components of the investment fund on the previous banking day.

Employer's contribution:

The deposit by the organiser for the pension commitment that is kept in a separate individual employer account for each affiliate: the employer contribution agreement. If the employer's contributions are paid into the financing fund, these contributions are registered in an individual notional account (account balance).

Employer's contribution agreement:

The agreement financed by the employer's contributions and/or by allocations from the financing fund.

Employee:

The person employed under an employment contract.

Statutory retirement age:

This is the retirement age pursuant to the applicable statutory pension legislation.

Modification date:

On this date the pension commitment is modified.

CHAPTER II. Provisions applicable to all pension commitments

Section 1 – Operating principles

Article 2 – Outsourcing of the pension commitment

The organiser is obliged to entrust the implementation of the pension commitment to a pension institution. The organiser has taken out group insurance with the pension institution in connection with this obligation. The objective of this group insurance is to guarantee the payment of benefits to the affiliate or beneficiary as stipulated in the special terms and conditions, provided that the organiser has paid the premiums and/or allocations. It comes into effect on the day when the first premium and/or allocation is paid at the earliest.

The special terms and conditions determine whether the employer's contribution agreement, the personal contribution agreement and the allocations into the financing fund are used in a Branch 21 or Branch 23 group insurance policy.

The term life insurance for the duration of the insurance year is always a Branch 21 group insurance policy.

The employer's contribution agreement and personal contribution agreement provided in the pension rules are drawn up on the basis of the information provided in all sincerity and without concealment or inaccuracies by the organiser and the affiliate to inform the pension institution of the extent of the risks it is taking. The pension institution may require any information it deems necessary, subject to the legislation in force.

Fraud, deliberate concealment(s) and/or deliberately inaccurate declarations result in the employer's contribution agreement(s) and personal contribution agreement(s) being null and void. That is also the case if the risk does not exist or has already been realised at the time of affiliation. The premiums due up to the moment the pension institution became aware of the deliberate concealment or deliberate incorrect information shall be payable.

However, from the affiliation, the pension institution waives claiming invalidity of the pension commitment of an affiliate on the grounds of concealments or inaccurate declarations made in good faith.

In the case of inaccuracy regarding the date of birth and sex of the affiliate and/or the beneficiary, the benefits will be adjusted taking account of the correct data.

Article 3 – Beginning and termination of the affiliation

Affiliation starts at the earliest on the effective date when the pension scheme is taken out.

For employees who are employed at the time of the pension scheme's effective date and who meet the conditions for affiliation laid down in the special terms and conditions, pension scheme affiliation is not compulsory, unless the introduction takes place by collective labour agreement or by means of the special procedure provided in the Supplementary Pensions Act for the introduction of a social pension scheme at a company that has no works council, health and safety committee and trade union delegation.

Affiliation is compulsory for all employees who commence their employment after the effective date and who meet the conditions for affiliation.

(Early) retirement excludes affiliation or continued affiliation to the pension commitment.

If an employee's employment contract
- is fully suspended once the employee meets the conditions for affiliation, the employee's affiliation shall be postponed until the employee returns to work full-time or part-time;
- is partially suspended once the employee meets the conditions for affiliation, the employee's affiliation shall be based on his or her rate of employment.

The affiliation is terminated on:

- the first of the month coinciding with or following the day on which the affiliate no longer meets the conditions for affiliation and his acquired reserves have been withdrawn from the pension commitment;
- the first of the month coinciding with or following the day on which the affiliate leaves the employment of the organiser, before the date of (early) retirement, and his or her acquired reserves are withdrawn from the pension commitment;
- the first of the month coinciding with or following the day on which (early) retirement begins;
- the date of death of the affiliate before (early) retirement;
- the date of death of the annuitant of a survivor's pension or orphan's annuity;
- the maturity date of the annuity payment.

Article 4 – Payability and payment of the premiums, allocations and taxes

The premiums or allocations are due on the date determined in the special terms and conditions.

Start of premium payability for each affiliate:

- the premiums are due from the first day of the month that coincides with or follows the affiliation for the respective rights;
- if affiliation commences during an insurance year, the premiums are payable on a pro rata basis for that year.

Amending and cancelling the payability of the premiums:

- when amending rights or elements used for the calculation, the payability of the new premiums takes effect on the annual adjustment date or on the change date;
- premiums are no longer payable from the first of the month coinciding with or following termination of employment;
- in case of (early) retirement the payability of premiums stops in the first month that coincides with or follows the (early) retirement;
- in the event of the affiliate's death, the premiums are no longer payable from such time as stipulated in the special terms and conditions.

Start, modification and termination of the payability of the allocations are specified in the financing plan and are charged as premiums.

The organiser is required to pay the taxes on the premiums or allocations to the pension institution together with the corresponding premiums or allocations.

The organiser shall pay the premiums or allocations and the taxes to the pension institution via the channels made available by the pension institution, but only in exchange for receipts from the pension institution.

Article 5 – The pension institution's basic rates and guaranteed rates

Technical interest rate and mortality table

The pension institution's rate includes

- for Branch 21 group life insurance: a technical interest rate and a mortality table according to the insurance combination;
- charges to pay for the pension institution's implementation of the pension commitment and where appropriate to cover the intermediary who is involved in the pension commitment's implementation by the organiser.

The pension institution has a performance obligation for Branch 21 group life insurance policies, whereby it undertakes to provide benefits in accordance with the rate applying to the pension commitment for the premiums paid to it.

Without prejudice to the application of any additional premiums as far as risk cover is concerned, the basic rates and methods for calculating the premiums and/or the rights/benefits on retirement or in the event of death that are financed by these premiums are included in the pension institution's technical file and have been deposited with the supervisory authority.

The basic rates are valid until the maturity date specified in the pension commitment without prejudice to a general review.

Change to the technical interest rate and/or the mortality table

The pension institution may adjust the basic rate for calculating risk premiums and/or risk cover in connection with a general review. Such an adjustment is applicable only to future allocations, unless it is otherwise authorised or required by certain laws or regulations.

The special terms and conditions determine the guarantee applicable to premiums and reserves for pension accrual (retirement lump sum) under the employer's contribution agreement and the personal contribution agreement. The following types of cover are distinguished:

- Guarantee on reserves
  The pension institution may adjust the basic rate applicable to the premiums in connection with a general review. This adjustment of the basic rate is applicable to single premiums that are applicable after the adjustment took effect, unless it is otherwise authorised or required by certain laws or regulations.
- Guarantee on reserves and premiums
  The pension institution may adjust the basic rate for the calculation of the premiums and/or the rights/benefits on retirement financed by these premiums in connection with a general review. This adjustment of the basic rate is applicable only to premium increases that take place after the date of the adjustment, unless it is otherwise authorised or required by certain laws or regulations.
- No guarantee
  The pension institution may adjust the basic rate applicable to the premiums and reserves in connection with a general review. This adjustment of the basic rate is applicable to the reserves and premiums that are applicable after the adjustment took effect, unless it is otherwise authorised or required by certain laws or regulations.

The pension institution may adjust the basic rate for calculating the lump sum equivalents in respect of annuity rights in connection with a general review. This adjustment to the basic rate is applicable as from the date of the adjustment in respect of the calculation and financing of:

- the lump sum equivalents for affiliates who join the pension scheme after the adjustment;
- the lump sum equivalents for the annuities of affiliates who had joined before the adjustment, provided that the annuity is not current at the time of the adjustment

The organiser must be notified in advance of any changes in the technical interest rate and/or the mortality table of the pension institution and their effective date.

The pension institution has no performance obligation for Branch 23 group life insurance.

Charges

The special terms and conditions describe the charges and how they are calculated.

Change in charges:

The pension institution may adjust the charges unilaterally:

- provided that this is done in connection with a general cost (structure) review;
- if the pension commitment is changed or discontinued by the organiser;
- if the pension commitment changes as a result of an amendment to existing legislation with a direct or indirect impact on the pension institution's costs;
- if the cost structure and/or cost payment is determined on the effective date of the management agreement, taking into account the specific parameters applicable at that time. These are the concluded types of cover, the average premiums and the number of active and passive affiliates and the open nature of the commitment for new employees. The charges are adjusted in the event of a change to at least one of the aforementioned parameters in the sense of a deletion or reduction of the concluded cover, a decrease in the average premiums or in the number of active affiliates or the termination of the commitment for new employees;
- if the entirety of pension commitments of the organisers of affiliated companies at the pension institution or the applicable insured categories at the time of drawing up the management agreement change;
- if the pension institution has to pay a different fee to the intermediary than the fee provided by the applicable rate.

Any such adjustment shall be made in a reasonable and responsible manner.

The organiser must be notified in advance of any changes in the charges and the effective date.

Any change in charges shall apply to reserves, lump sums, premiums and allocations from the modification date.

Article 6 – Profit sharing

Branche 21 group life insurance

The profit sharing is at the discretion of the pension institution based on the results in the Branch 21 group insurance policies each year. The pension institution offers no guarantee whatsoever in terms of future profit sharing.

If the profits are distributed, the profit sharing, conditions and rules for the allocation are included in a profit sharing plan that is communicated to the regulator.

The allocation rules are determined based on factors such as the basic rates and the guarantee applicable to these basic rates. These rules are not exhaustive and may be reviewed annually by the pension institution.

If the group insurance is cancelled in connection with the transfer of the reserves to another pension institution, no profit share is allocated during the period of cancellation.

Profit sharing on retirement

The profit sharing allocation on retirement is based on the theoretical surrender value of the employer's contribution agreement and personal contribution agreement and the profit sharing percentage on retirement.

The special terms and conditions describe the terms and conditions of the appropriation of the profit sharing allocation.

Profit sharing in the event of death

Profit sharing in the event of death is an amount that is determined annually for mixed life insurance policies or term life insurance policies and is based on:

- the insured lump sum in the event of death; and
- the death benefit profit sharing percentages applicable to the different insurance combinations under the profit sharing plan.

Branche 23 group life insurance

There is no profit sharing.

Article 7 – Payment of benefits on retirement

Obligation to withdraw the benefit and right to withdraw the benefit

The payment of benefits on retirement is linked to the effective start of the (early) statutory pension. The payment is obligatory at that time (obligation to withdraw the benefit).

Such payment is also possible for affiliates who have reached the statutory retirement age or comply with the terms and conditions to start early statutory retirement, but do not take advantage of this (right to withdraw the benefit). During this postponement period, the affiliate is entitled to withdraw the acquired pension reserves once whilst remaining affiliated to the pension commitment. For this purpose, the affiliate must submit an early payment application to the pension institution.

At the time of the withdrawal, the pension institution shall inform the affiliate of the benefits due and the possible payment methods including the right to conversion into annuity and the necessary details for payment.

If the special terms and conditions provide for the payment of a retirement lump sum

The retirement lump sum to be paid out to the affiliate is calculated on the date of (early) retirement or from the first day of the month following the payment request date. If necessary, the organiser supplements this sum up to the cover guaranteed by the applicable legislation.

The pension institution pays this lump sum directly to the affiliate within 30 days of receiving the discharge signed by the affiliate and the documents requested by the pension institution.

If the special terms and conditions provide for the payment of a pension annuity

The annuity to be paid out to the affiliate on (early) retirement is calculated on the date of (early) retirement or from the first day of the month following the payment request date. If necessary, the organiser supplements this sum up to the cover guaranteed by the applicable legislation.

The pension institution pays the pension annuity directly to the affiliate.

The benefits are paid in the form of annuity after the affiliate has submitted the required documents to the pension institution. The first payment is made within 30 days of receiving the documents that are required by the pension institution. The pension institution is entitled to request new documentary evidence at any time. In that case the above procedure shall again be applied.

If provision is made for transferability of the annuity in the event of the annuitant's death to the annuitant's partner, this shall be done in accordance with the special terms and conditions. The partner is not permitted to convert this annuity into a lump sum payment. A person who becomes the affiliate's partner on or after (early) retirement or at an earlier date of termination of employment is not entitled to claim this annuity.

The affiliate can request a one-off payment of the lump sum equivalent of the pension annuity upon (early) retirement if this possibility is provided for in the special terms and conditions. The pension institution pays this lump sum directly to the affiliate within 30 days of receiving the discharge signed by the affiliate and the documents requested by the pension institution. By withdrawing the lump sum, the affiliate waives the right to the pension annuity and any partner's right to have this pension annuity transferred if transferability of annuity is provided.

The pension institution shall not pay any interest if the pension institution's payment of a lump sum or annuity is delayed because the amounts are not claimed, because the documents are not complete or have not been provided in the correct way or in the event of circumstances beyond the pension institution's control.

If the right to withdraw the benefit is used

If the right to withdraw the benefit is used, the calculation of the cover/claim based on the drawn down lump sum is determined in Chapters II, III and IV.

Article 8 – Payment of benefits in the event of death

In the event of the affiliate's death, the pension institution shall inform the beneficiary of the benefits due and the possible payment methods, including the right to conversion into annuity and the necessary details for payment.

If the special terms and conditions provide for the payment of death benefit

The death benefit is payable on the date of the affiliate's death prior to (early) retirement and is paid directly to the beneficiary.

The pension institution pays this lump sum directly to the beneficiary within 30 days of receiving the discharge signed by the beneficiary and the documents requested by the pension institution.

If the special terms and conditions provide for the payment of a survivor's pension

In the event of the affiliate's death before (early) retirement, the lump sum equivalent of the survivor's pension is converted into a survivor's pension based on the following calculation elements:

- the parameters according to the basic rates;
- the frequency of the annuity payment;
- the sex and age of the partner on the date of payment.

The survivor's pension is payable to the partner from the date of the affiliate's death.

The pension institution shall pay out this annuity directly to the partner in accordance with the instalments stipulated in the special terms and conditions. The first payment is made within 30 days of receiving the documents that are required by the pension institution. The pension institution is entitled to request new documentary evidence at any time. In that case the above procedure shall again be applied.

The partner becomes an annuitant with effect from payment of the annuity.

The partner can request the one-off payment of the lump sum equivalent of the survivor's pension as soon as the first survivor's pension becomes payable. The pension institution shall pay this lump sum directly to the partner within 30 days of receiving the discharge signed by the partner and the documents requested by the pension institution. By withdrawing the capital, the partner waives the right to the survivor's pension.

If the special terms and conditions provide for the payment of orphan's annuity

The orphan's annuity is payable to each child from the date of the affiliate's death before (early) retirement.

The pension institution shall pay out this annuity directly to each child in monthly instalments at the end of each instalment period until the instalment defined in the special terms and conditions is reached. The first payment is made within 30 days of receiving the documents that are required by the pension institution. The pension institution is entitled to request new documentary evidence at any time. In that case the above procedure shall again be applied.

The child becomes an annuitant once the annuity is paid. This annuity cannot be converted into a lump sum payment for orphans.

The pension institution shall not pay any interest if the pension institution's payment of a lump sum or annuity is delayed because the amounts are not claimed, because the documents are not complete or have not been provided in the correct way or in the event of circumstances beyond the pension institution's control.

Article 9 – Beneficiary designation in the event of death

The beneficiary designation in the event of death is determined in the following order of priority:

- the partner,
- in the absence thereof, first-degree descendants of the affiliate or, by substitution, their descendants,
- in the absence thereof, the first-degree ascendants of the affiliate,
- in the absence thereof , the estate of the affiliate, with the exclusion of the State;
- in the absence thereof, the 'financing fund' of the pension commitment.

If as a result of the above order of priority more than one beneficiary is designated, the death benefit is distributed proportionally among the various beneficiaries.

The affiliate may deviate from the above order of priority or designate a beneficiary by name, provided that the pension institution receives a 'Form to amend beneficiary designation in the event of death (group insurance)' signed by the affiliate. This amendment is mentioned on the benefit statement. If the deviation concerns a designation other than the spouse, the benefit appendix must also be confirmed in writing with the signature of the affiliate's spouse.

If more than one beneficiary is designated, they each receive the immediately due and repayable benefits in accordance with the 'Form to amend beneficiary designation in the event of death (group insurance)', which is mentioned on the benefit statement. However, if the partner and the first-degree descendants are jointly designated as beneficiaries either by name or not, half the death benefit goes to the partner and the other half goes - in equal parts - to the first-degree descendants, provided that the affiliate did not specify a different division on the 'Form to amend beneficiary designation in the event of death (group insurance)'. If the partner and/or the first-degree descendants are not designated as the beneficiaries by name, the benefits go to those persons who qualify as such when the benefits are due. The direct descendants of a predeceased first-degree descendant shall receive the benefits in the first-degree descendant's place.

The affiliate has, in accordance with the provisions above, the right to designate one or more beneficiaries. Evidence of the beneficiary's right shall be provided in accordance with the relevant legal provisions. The pension institution shall be released of every commitment by the payment it has made in good faith to the beneficiary before it has received any document in which the designation is changed.

If the individual deviations cannot be implemented (for example if one or more of the designated beneficiaries die before the affiliate does), the beneficiary order of precedence described above applies.

Article 10 – Acceptance of beneficiary designation

Each beneficiary can accept the beneficiary designation. Acceptance occurs in writing with the signature of the beneficiary, the affiliate and the pension institution.

Except in cases where the law allows revocation, the acceptance of the benefit means that a later change of beneficiary designation, surrender or reserve transfer, pledging and withdrawal of an advance payment are only possible with the written agreement of the accepting beneficiary. This agreement is also required for any change made by the affiliate that implies a reduction in the benefits insured by premiums already paid in favour of the accepting beneficiary.

Acceptance of the beneficiary designation means that the beneficiary designation provisions compromising the rights of the accepting beneficiary remain ineffective.

Article 11 – Right to convert a lump sum into annuity

If the pension commitment provides for the payment of a lump sum on the maturity date or before the maturity date in the event of death, the affiliate or beneficiary is entitled to request an annuity conversion to the organiser if the annuity is more than EUR 500.00 annually at the start of the benefit payment. The amount of EUR 500.00 is indexed according to the provisions of the Supplementary Pensions Act. This annuity shall be calculated in accordance with the legislation and regulations applicable to supplementary pensions based on the parameters of the beneficiaries on the settlement date.

If the beneficiary opts for non-transferable, non-indexable life annuity, the annuity amount is based on the insured lump sum and the method of calculation laid down by the legislation and regulations applicable to supplementary pensions.

If the capital provided for in the pension commitment is less than the lump sum equivalent to finance the annuity, as determined in the previous paragraph, the liability of the pension institution is confined to the capital sum provided for in the pension commitment, whilst the organiser is responsible for the difference.

The lump sum equivalent referred to in the previous paragraph is calculated according to the current commercial rate of the pension institution on the basis of the basic rates, calculation methods and product characteristics of the annuity, which are included in its technical dossier as referred to in the applicable legislation on Life Insurance.

The pension institution shall charge the organiser a single premium to finance any difference. This single premium is calculated on the basis of the basic rates, calculation methods and product characteristics used by the pension institution.

The pension institution always has the option to designate a joint fund responsible for the annuity payment if the organiser agrees to this.

The beneficiary can choose a different annuity from the pension institution's product range. In that case, the annuity is based on the capital provided by the pension commitment and the commercial rates of the pension institution.

The annuity is paid monthly once the instalments fall due.

Article 12 – Postponement of the maturity date

Postponement means that when the affiliate reaches the maturity date but does not yet starts the statutory (early) retirement, the maturity date is postponed by one year (year of postponement) each time until the statutory (early) retirement commences.

The basic rates valid at the time of each postponement are applied to the reserves of the employer's contribution agreement, the personal contribution agreement and the premiums.

The pension institution guarantees the basic rates applicable to the reserves and premiums during the current year of postponement. For each successive year of postponement, the basic rate at the time shall apply to the postponement both in terms of reserves and premiums.

The pension institution can adjust the basic rate for postponement in connection with a general review.

A change in the basic rates applies to the reserves and premiums for each new (successive) postponement after the effective date of the new basic rate and to premium increases after that date during the current year of postponement.

The following applies to individual pension commitment:

- The 'postponement' applies from the statutory retirement age;
- If the maturity date comes before the statutory retirement age, this maturity date shall be adjusted to the statutory retirement age when the pension commitment's maturity date is reached if necessary. In that case the basic rates applicable to individual pension commitment insurance policies at the time shall apply.

Right to withdraw the benefit

During the entire postponement period, the affiliate is entitled to withdraw the acquired pension reserves once, whilst remaining affiliated to the pension commitment:

- either at the statutory retirement age, without withdrawal of the statutory pension;
- or when the affiliate meets the terms and conditions for withdrawing the early statutory pension, without effectively withdrawing it.

The cover/claims in the event of postponement are determined in Chapters II, III and IV.

Article 13 – Termination of employment

Information procedure

In the event of termination of employment as referred to in the definition of 'termination of employment' in Article 1 (a) and (c), the following provisions shall apply:

If an affiliate's employment is terminated, the organiser is obliged to inform the pension institution thereof in writing within 30 days.

The pension institution shall communicate the necessary information to the organiser in the termination letter under the applicable legislation within 30 days of the above notification. An example of this letter can be found in the provided internet application.

The organiser shall immediately inform the affiliate of the information provided by the pension institution.

Calculation of acquired reserves and benefits

On termination of employment, the acquired reserves and benefits are calculated on the basis of the statutory provisions and the elements for calculating the rights applicable to the last annual adjustment date or change date prior to the termination of employment.

The employer's contribution agreement and personal contribution agreement are reduced. If the right / cover in the event of death ceases upon termination of employment, the reduction value can be calculated based on the mortality table for transactions on retirement.

At the time of termination of employment, the affiliate shall not incur a penalty or lose any profit share, and nothing shall be deducted from the acquired reserves.

Shortfalls paid by the organiser

Upon termination of employment, the organiser is required to make up any shortfall in the employer's contribution agreement and personal contribution agreement with regard to the minimum guaranteed return. Any top-up amount shall be paid by the organiser into the financing fund of the pension commitment if either there are insufficient funds available, or if the available funds are required to cover other commitments on the part of the organiser.

After termination of employment, the organiser remains obliged to finance any future shortfalls in the employer's contribution agreement and the personal contribution agreement in relation to the acquired reserves, to ensure that the acquired benefit is financed on retirement age. Any top-up amount shall be paid by the organiser into the financing fund of the pension commitment if either there are insufficient funds available, or if the available funds are required to cover other commitments on the part of the organiser.

As soon as the passive affiliate announces the decision that he or she wishes to transfer the acquired reserves, any shortfall in relation to the guaranteed amounts at the time shall be settled for the employer's contribution agreement. For tax purposes, any top-up amount shall always be deemed to be an employer's contribution.

Options of the affiliate

On termination of employment, the affiliate has the following options for treating the acquired reserves, if necessary topped up to the amounts guaranteed by the applicable legislation:

1. Leave them in this pension commitment:
   1.1 without any changes. This possibility is not available for the acquired reserves of the pension commitment for which death cover equal to the acquired reserves were chosen following termination of employment as referred to in Article 1(b);
   1.2 without any changes to the pension commitment other than a death cover that matches the amount of the acquired reserves. In this case the acquired benefit is recalculated in line with the acquired reserves in order to take this death cover into account.
2. Transfer:
   2.1 to the reception structure, linked to these pension rules;
   2.2 to the pension institution of the new organiser with whom he or she has signed an employment contract if he or she is to be affiliated to the pension commitment of this organiser;
   2.3 to a pension institution that distributes all its profits to the affiliates in proportion to their reserves, and has limited charges in line with the rules established by Royal Decree.

Affiliates must inform the pension institution of their choice in writing within 30 days of having received the information from the organiser. The pension institution shall implement the affiliate's choice within 30 days of receiving the notification. If the affiliate allows this period to elapse, it shall be assumed that the affiliate has chosen to leave the acquired reserves in the pension commitment of the former organiser without any changes.

Once the 30 day period has expired, the affiliate can select:

- option 1.2 for a further 11 months;
- options 2.1 – 2.2 – 2.3 at any time.

The transfers are limited to the part of the acquired reserves not subject to any advance or pledge.

If option 1.2 or 2.1 is chosen, the benefit in the event of death shall be paid to the beneficiaries as applicable in the pension commitment before the termination of employment, subject to the pension institution's receipt of a form 'Change of beneficiary designation in the event of death' with subsequent amendments.

If there are any accepting beneficiaries and/or persons to whom entitlement to the pension commitment has been assigned, written permission is required from these beneficiaries and/or persons in case of a transfer of the acquired reserves or if option 1.2 is chosen. No transfer is permitted in the event of seizure.

The term life insurance policies financed by risk premiums within the pension commitment are continued until the first of the month that coincides with or that follows the date on which the affiliate notified his or her choice on termination of employment, and at the latest until the 90th day after termination of employment.

In the event of termination of employment as referred to in the definition of 'termination of employment' in Article 1 (b), the following provisions shall apply ('light' termination of employment):

'Light' termination of employment means that the provisions as described above are suspended until the termination of the employment contract other than through death or retirement.

In this case, the organiser is required, within at the latest 30 days, to notify the pension institution in writing of the affiliate's new non-compliance with the conditions for affiliation.

The pension institution informs the employee, at the latest within 30 days of the above notification, of:

- the termination of employment;
- whether or not the death cover shall be continued;
- his or her right to leave the acquired reserves in the old pension commitment:
  - without any changes or;
  - without any changes other than death cover that matches the amount of the acquired reserves. In this case the acquired benefit is recalculated in line with the acquired reserves in order to take this death cover into account. If this option is chosen, the benefit in the event of death shall be paid to the beneficiaries as applicable in the pension commitment before the termination of employment, subject to the pension institution's receipt of a form 'Change of beneficiary designation in the event of death' with subsequent amendments.

If the affiliate has allowed 30 days to elapse after this information was sent, he or she is assumed to have opted to leave the acquired reserves in the pension commitment without any changes.

He or she also continues to have the right to take the above option, for a further 11 months.

The term life insurance policies financed by risk premiums in the pension commitment are continued until the first of the month that coincides with or that follows the date on which the affiliate notified his or her choice on 'light' termination of employment, and at the latest until the 90th day after the 'light' termination of employment.

If the 'light' termination of employment is followed by the organiser's affiliation to another pension commitment with the pension institution, the following provisions shall apply:

- If the new pension commitment is of the **'defined benefits' type**, and the pensionable years are recognised from the date of commencement of employment, then the entitlement ('right') on retirement from the new pension commitment shall be reduced by the accrued acquired benefit, excluding profit share, from the old pension commitment up to the date of the 'light' termination of employment. No account is taken in this case of the potentially recalculated acquired benefit in response to the application of the option mentionned above.
- If the new pension commitment is of the **'defined contributions'** or **'cash balance'** type, and seniority is calculated from the date of commencement of employment, then the seniority within the old pension commitment is taken into account for the definition of seniority in the new pension commitment.
- If the new pension commitment provides that the accrued retirement reserves are deducted from the definition of the **risk capital death benefit**, then the acquired reserves, including profit share, built up through the old pension commitment until the time of the 'light' termination of employment are taken into account for the definition of the risk capital death benefit for the new pension commitment provided that these reserves in the old pension commitment, before any application of the option outlined above, are used to purchase an insurance combination 'pure endowment with reimbursement of the reserves'.

Article 14 – Reception structure

In addition to the management agreement, the organiser subscribes to a reception structure with the pension institution. The pension institution has submitted the rates of the reception structure to the supervisory authority under the product name 'reception structure'. The aim of the reception structure is to receive reserves from supplementary pensions.

As long as the affiliate has not withdrawn from the pension commitment, the affiliate can transfer the reserves he or she accrued as an employee in connection with a supplementary pension with a former organiser. The transferred reserves must be accommodated in the reception structure and must never be accommodated in the pension commitment associated with this reception structure.

The reserves that the affiliate of this pension commitment has acquired at the time of the termination of employment as referred to by the definition of termination of employment in Article 1 (a) and (c) may be accommodated in this reception structure if the affiliate so chooses.

The choice of a transfer to a reception structure has the consequence that the affiliate can no longer transfer his or her reserves to the original pension commitment.

The reception structure provides the transferring affiliate an insurance policy on retirement and in the event of death in the form of a pure endowment policy with reimbursement of the reserves. The insured amount is obtained by capitalising the transferred amount in accordance with the basic rates for 'pure endowment with reimbursement of the reserves' filed to the supervisory authority under the product name 'reception structure'.

If the affiliate transfers his or her reserves to the reception structure:

- the obligations of the pension institution are confined to the obligations deriving from the reception structure;
- the obligations of the organiser deriving from the pension commitment within which the reserves were accrued, end.

If the affiliate chooses to transfer his or her acquired reserves accrued for this pension commitment to the reception structure in connection with his termination of employment, the acquired reserves shall, if necessary, be supplemented by the organiser up to the amounts guaranteed by the applicable legislation. This terminates the organiser's and the pension institution's liabilities ensuing from the pension rules.

The transferring affiliate immediately acquires the reserves transferred to the reception structure.

Article 15 – Financing fund

A financing fund is set up together with the pension commitment. This financing fund is managed by the pension institution. It contains the reserves that are not related to the employer's contribution agreement and the personal contribution agreement and forms a theoretical surrender value.

Income from the financing fund

The financing fund may receive the following income:

- deposits made by the organiser in anticipation of the financing of the future charges arising from the insurance operations as provided in the pension rules or financing plan;
- personal contributions that were withheld from the affiliate's salary by the organiser;
- deposits made by the organiser to meet the statutory financing requirements;
- a transfer of the reserves of the financing fund of the pension commitment at another pension institution;
- a transfer of the reserves of the financing fund of another pension commitment;
- interest and any additional interest on the financing fund's reserves allocated by the pension institution;
- the death benefit accruing to the financing fund in accordance with the article on 'Beneficiary designation in the event of death';
- generally any amount allocated to the financing fund in application of the pension rules.

Return of the financing fund

Reserves used for Branch 21 life insurance with a guaranteed return from the pension institution

The pension institution allocates interest on these reserves in the financing fund based on the interest rate applicable to financing funds at the time of the allocation.

The pension institution may adjust the interest rate applicable to the reserves in the financing fund in connection with a general review. This adjustment of the interest rate applies to all reserves in the financing fund as from the date of the change.

The pension institution can allocate additional interest to the reserves annually. This method of distribution and the allocation of the additional interest is determined annually at the discretion of the pension institution. No guarantee is given with regard to the additional interest.

The conditions and rules for allocating the additional interest are included in a profit sharing plan that is communicated to the supervisory authority.

Reserves used in a Branch 23 life insurance investment fund

The pension institution does not offer a performance obligation on the return of the reserves in the financing fund.

Purpose of the financing fund

The reserves (assets) of the financing fund cannot be written back to the assets of the organiser.

If the total employer's contribution paid is lower than that which must be allocated to the employer's contribution agreement under the pension rules, the difference is drawn from the financing fund. This is not an enforceable right vis-a-vis the pension institution. In that case the pension institution retains the right to initiate the procedure for non-payment of the premiums at any time.

If the acquired reserves are transferred, in execution of a decision made by the affiliate, to the reception structure or to another pension institution after a termination of employment, any shortfalls which have to be financed according to the applicable laws at that time, shall be withdrawn from the financing fund.

Any shortfall in terms of the minimum guaranteed return and acquired reserves at the time of the pension benefits' payment or at the time of the pension commitment's cancellation shall be taken from the financing fund where appropriate. If the reserves in the financing fund become overdrawn due to this transaction, the organiser shall immediately settle such negative balance.

Operation of the financing fund

Reserves used for Branch 21 life insurance with a guaranteed return from the pension institution

The pension institution allocates interest from the moment the payment to the financial account of the pension institution is processed.

In case of a withdrawal from the fund, the date of the event leading to the withdrawal applies.

Reserves used in a Branch 23 life insurance investment fund

The financing fund's balance is equal to the sum of the net portfolio value of the units present in each investment fund.

The allocations, personal contributions and other income are converted into units of the Branch 23 life insurance investment fund. The financial management agreement determines which part is allocated to which investment fund.

For allocations and personal contributions, the conversion into units is based on the net portfolio value of the investment fund on the second bank working day after receipt of the allocation and/or personal contributions into the financial account of the pension institution, provided that the payment is made as specified by the pension institution.

For other income, the conversion is based on the net portfolio value on the first bank working day following the receipt of payment into the financial account of the pension institution.

Withdrawals from the financing fund reduce the number of units present in the investment funds.

The financial management agreement determines which part of the withdrawal relates to which investment fund.

If a withdrawal is made in connection with (early) retirement, the number of units is based on the net portfolio value on the first bank working day after the payment as stipulated in the article on the 'Payment of retirement benefits', unless the pension institution received the notification too late. In that case, the number of units is based on the net portfolio value on the first bank working day after the pension institution receives the notification of the (early) retirement.

In case of a withdrawal in connection with a decease, the number of units is based on the net portfolio value on the first bank working day after the pension institution's notification of the death.

For other withdrawals, the conversion is based on the net portfolio value on the first bank working day following the first of the month after the request.

Settlement of the financing fund

The financing fund is primarily used to make good the lump sum equivalent of the current annuities and the acquired reserves, increased to the minimum guaranteed return on the personal contribution, and then to the full amount of the minimum guaranteed return. The allocation is in proportion to the shortfall of each affiliate.

If there is a balance, it is used to finance the acquired benefits in proportion to the shortfall in the reduction value of each affiliate (after allocation of the acquired reserves) with regard to the acquired benefits. The allocation is in proportion to the shortfall of each affiliate.

The pension institution cannot be called upon to finance any positive differences between the acquired reserves and the reserves on the employer's contribution agreement and personal contribution agreement and/or the acquired benefit and the reduction value. The organiser remains responsible for this. The reserves allocated to the employer's contribution agreement and the personal contribution agreement at the time of settlement are used in a Branch 21 group life insurance policy based on the rates of the pension institution at the time of the allocation.

In the event of the permanent liquidation of the pension commitment or if the organisers cease to exist, for any reason whatsoever, without the obligations being taken over by a third party, the reserves (assets) which are no longer required for the administration of the pension commitment shall be allocated to the affiliates in proportion to their acquired reserves, increased where appropriate to the amount guaranteed under Article 24 of the Supplementary Pensions Act (WAP) or the amount required to finance the acquired benefit and for annuitants, in proportion to the lump sum equivalent of the current annuity. The reserves of the reception structure are not taken into account for the distribution.

Contrary to the above paragraph, all or part of the reserves (assets) no longer required to manage the pension commitment may be given another social purpose under a collective labour agreement. In case of a pension scheme introduced by an employer at company level and in the absence of a works council, health and safety committee and union delegation within the company, the reserves (assets) may be given a different social purpose via the procedure for amending the employment rules.

In the event of a transfer to another social purpose, the pension institution charges a liquidation fee that is calculated in the same way as mentioned in 'Collective transfer of reserves', without the requirement of any administrative fee.

In the event of redundancies as referred to in

- the Act of 28 June 1966 on compensation for employees who are made redundant due to the closure of companies and the Royal Decree of 29 August 1985 defining companies in difficulties or facing exceptionally unfavourable economic circumstances, as referred to in Article 39bis of the Act of 3 July 1978 on employment contracts;
- or the regulations referred to in the Royal Decree on the Supplementary Pensions Act;

the reserves (assets) that are no longer needed to manage the pension commitment may be given another social purpose by means of a collective labour agreement, or in the above-mentioned case of a pension scheme set up by an employer at company level in the absence of a works council, health and safety committee and trade union delegation at the company, by means of the procedure to amend employment rules.

The reserves (assets) of the financing fund that are no longer required for the management of the pension commitment are the reserves (assets) whose amount exceeds the sum of the following amounts:

1. for affiliates other than annuitants, the acquired reserves increased, where appropriate, to the amount of the minimum guaranteed return or the amount needed to finance the acquired benefit;
2. or annuitants, the lump sum equivalents of the current annuities;

where appropriate, amounts required under the applicable rules concerning prudential supervision, other than those referred to in 1 and 2.

Article 16 – Operation of the investment funds

The investment funds are composed of a set of units.

The characteristics of the investment fund and the rules for the valuation of the units are laid down in the management rules, which are available to the affiliates.

The units of the investment funds are not negotiable and cannot be assigned directly to any third parties. The pension institution can decide to merge or further divide multiple units.

The pension institution reserves the right to liquidate or merge funds. If a fund is liquidated or if several funds merge, the pension institution shall notify the organiser. If the organiser does not accept the assignment, the organiser may, in accordance with the arrangements communicated by the pension institution at the time, either request the settlement of the surrender value free of charge under the applicable legislation, or perform an internal transfer to one or more other internal funds proposed by the pension institution.

Valorisation of the investment fund

The pension institution determines the value of the investment fund, which is binding on all parties.

The net portfolio value of an investment fund is equal to the value of its constituent assets after deducting any commitments that may be attributed to the fund as determined in the Management Regulation "EB Branch 23 funds". The net portfolio value of a unit is equal to the net portfolio value of the fund divided by the number of units of that fund.

Except in exceptional circumstances beyond the pension institution's control, the investment fund assets are valued on a daily basis and the net portfolio value of a fund unit is calculated each bank working day.

In the event that foreign currency securities or other securities need to be converted to calculate the value of the fund assets, the pension institution will assume the most recent mid-market price of that currency, unless the pension institution deems it desirable to apply a different exchange rate in the interest of the joint parties.

Article 17 – Non-payment of premiums

The payment of the premiums or part thereof is not compulsory with regard to the pension institution.

If the premiums are not paid within the month following their renewal date, the pension institution shall send a reminder to the organiser. If no payment is made in the month following this reminder, the pension institution shall send a registered notice of default to the organiser.

This notice of default shall again state that the premiums have not been paid, and shall add that if they are not paid within thirty days of the notice's send date, the employer's contribution agreement and personal contribution agreement shall be reduced, the allocated pension amount shall be set to 0, no more pensionable years shall be awarded to the acquired reserves and benefits, the term life insurance covering the risk for automatically renewable one-year periods shall be discontinued, and the pension institution shall inform each affiliate of this in an ordinary letter.

The pension institution shall inform each affiliate of the above consequences in an ordinary letter within 3 months of the premiums' expiry date.

The pension institution is exempt from the reminder, from the registered notice of default and from the notification of the affiliate if the organiser has notified the pension institution in writing of its decision to stop paying premiums.

In the organiser fails to pay the necessary premiums, the reduction of the employer's contribution agreement and personal contribution agreement, the reduction of the allocated amount, the discontinuation of the further accrual of pensionable years and the discontinuation of the term life insurance shall come into effect at the earliest 30 days after the send date of the registered notice of default.

The reduction value is calculated on the date the premiums remained unpaid. From this date the allocated pension amount is set to 0 and no more pensionable years are allocated to the acquired reserves and benefits. The reduced employer's contribution agreement and personal contribution agreement remain subject to the provisions of the general and special terms and conditions.

The pension institution reserves the right to charge a reduction fee in accordance with the statutory provisions.

For term life insurance covering the risk for automatically renewable one-year periods there is no reduction value and non-payment of the premium shall result in the termination of the insurance at the earliest 30 days after the send date of the registered notice of default.

Article 18 – Pension scheme underfunding

If the financing of the reserves is insufficient or in the case of insufficiency of the repayments to make good the underfunding that is not required to be financed immediately under the applicable legislation, the pension institution warns the organiser as soon as the insufficiency is established.

If there is no sufficient financing within 6 months of the above-mentioned reminder, the employer's contribution agreement and personal contribution agreement shall be reduced, the allocated pension amount shall be set to 0, no more pensionable years shall be allocated to the acquired reserves and benefits, and the term life insurance covering the risk for automatically renewable one-year periods shall be discontinued.

Before the reduction value is calculated, the acquired reserves that have not yet been individualised are taken from the financing fund and placed on the employer's contribution agreement and personal contribution agreement in accordance with the provisions on the settlement of the financing fund.

The pension institution reserves the right to charge a reduction fee in accordance with the statutory provisions.

Article 19 – Modification or discontinuation of the pension scheme

Modification by the pension institution

The pension institution cannot unilaterally make any restrictive changes to the pension rules unless it is required to do so by new mandatory statutory provisions.

Modification by the organiser

The organiser can change the pension commitment provided that the legal requirements are met.

The change must under no circumstances result in:

- the reduction of the benefits already acquired by the affiliates and the reduction of the acquired reserves for previous years of employment;
- the reimbursement of (part of) the premium already paid or still to be paid at that time to the organiser, except if the organiser exercises its right to cancel the pension commitment within 30 days of it coming into effect. In that case, the pension institution shall reimburse the paid premiums minus the amounts used to cover the risk.

The organiser may unilatery amend the pension rules or reduce or interrupt the contributions in case of one or more of the circumstances described below:

- on introduction of new, or amendment or further development of the existing legislation, jurisdiction, supervisory authority directives and/or other measures or factual conditions which were to bring about, directly or indirectly, an increase in the cost of the pension commitment;
- when the social security legislation that this pension commitment complements and/or the tax legislation that applies to the pension commitment undergoes substantial changes that would directly or indirectly increase the cost of the pension commitment;
- when internal or external economic developments in the company would make the maintenance of the pension commitment (in its unaltered form) no longer consistent with sound business practices.

The organiser shall inform the pension institution of the change in advance in a signed and dated letter confirming the following:

- the organiser fulfils the above conditions;
- all procedures prescribed by law in the event of a change to a pension commitment applicable to this pension commitment were met.

The change of the pension commitment shall be subject to the conditions of the pension institution in force at the time of the modification and the explicit acceptance by the pension institution.

The organiser shall submit the text of the amendments made to the pension rules to each active affiliate.

Discontinuation by the organiser

When the organiser discontinues the pension commitment, the above provisions relating to a modification by the organiser apply.

In the event of discontinuation of the pension commitment, the employer's contribution agreement and personal contribution agreement shall be reduced, the allocated pension amount shall be set to 0, no more pensionable years shall be allocated to the acquired reserves and benefits, and term life insurance covering the risk for tacitly renewable one-year periods shall be discontinued. All this shall have an effect on the next expiry date of the premium unless a later date is specified and provided that the premium payment or financing continues in accordance with the provisions of the financing plan and in accordance with the agreements with the organiser on credit balances.

For a term life insurance in which the risk is covered for automatically renewable periods of one year, there is no reduction value.

The organiser shall remain legally obliged to pay any shortfalls and must continue to provide the pension institution with the information required for the further management.

The pension institution reserves the right to charge a reduction fee as stipulated in the article on non-payment of premiums.

Article 20 – Dissolution and liquidation of the organiser

If the pension commitment is terminated by dissolving and liquidating the organiser, without transferring its obligations to another organiser, the employer's contribution agreement and personal contribution agreement are reduced, the allocated pension amount is set to 0, no more pensionable years are allocated to the acquired reserves and benefits, and term life insurance covering automatically renewable one-year periods is discontinued.

All this shall have an effect on the date of dissolution and liquidation, subject to the continued payment of premiums or financing in accordance with the provisions of the financing plan, and in accordance with the agreements with the organiser on credit balances.

If the organiser's dissolution and liquidation are not due to bankruptcy, the organiser shall still be required to finance all the acquired benefits of the affiliates on the date of dissolution and liquidation. If the balance of the financing fund is insufficient, an additional single premium shall be requested from the organiser.

Before the reduction value is calculated, the acquired reserves that have not yet been individualised are taken from the financing fund and placed on the employer's contribution agreement and personal contribution agreement in accordance with the provisions on the settlement of the financing fund.

The pension institution cannot be called upon to finance any positive differences between the acquired reserves and the reserves on the employer's contribution agreement and personal contribution agreement and/or the acquired benefit and the reduction value.

The pension institution reserves the right to charge the organiser a reduction fee as stipulated in the article on non-payment of premiums.

The organiser shall inform the pension institution of the dissolution and liquidation in a signed and dated letter.

Article 21 – Collective transfer of reserves

Provided that the organiser observes the applicable legislation, it may decide to transfer the reserves to another authorised pension institution or to transfer the reserves within the pension institution, either to another insurance branch for group insurance, Branch 21 life insurance with a guaranteed return or Branch 23 life insurance linked to an investment fund.

If the reserves are transferred to a Branch 21 group insurance policy, the amount to be transferred shall be equal to the reserves in the individual employer's contribution agreement and personal contribution agreement (including profit sharing). If the financing fund is transferred, the amount to be assigned shall be equal to the reserves of the financing fund.

If the reserves of a Branch 23 group insurance policy are to be transferred, the number of units will be calculated based on the net portfolio value on the first bank working day following receipt by the pension institution of the request for the collective transfer of the reserves.

If the transfer of the reserves requires the sale of assets, the realisation charges and the difference between the net portfolio value and the market value of these assets are withheld.

However, the part of the reserves that is the subject of an advance or pledge for mortgage loans is not transferable.

Before the pension institution makes such a transfer, the organiser must prove that all applicable procedures provided for by law are complied with.

The pension institution shall charge a liquidation fee in compliance with the legal provisions. When calculating the liquidation fee, account is taken of the following components:
- the composition of the portfolio of the representative assets of the reserves accrued by the whole of employer's contribution and personal contribution agreements and the financing funds managed by the pension institution;
- the investment term per category of representative assets;
- the evolution in the reserves accumulated by the pension commitment and in the financing fund of this pension commitment;
- all other justified transfer charges;
- any rules laid down by the pension rules and the associated agreements.

Unless a statutory public order provision or mandatory law would limit this liquidation fee – in which case, the maximum fee allowed by the statutory provision shall actually be applied – a liquidation fee shall be charged that is the sum of the following elements:

- Fixed fee:
  The fixed fee is 5% of the reserves.

- Administrative fee:
  The administrative fee is EUR 45.00[1]1 per affiliate up to a maximum of EUR 1,970.00[1].

- Financial fee:
  Reserves x FV

  - for single premiums (received reserves):

    FV = 12.5 * (i1 - i2)

  - for premiums and allocations:

    $$FV = 12.5 * \left(i1 - \frac{\sum_{\mathrm{t=start\ contract}}^{\mathrm{time\ of\ transfer}} \mathrm{i2(t)}}{\mathrm{time\ of\ transfer - start\ contract}}\right)$$

[1] This amount is indexed based on the Health Index (1988 base = 100). The index of the second month of the quarter preceding the date of surrender must be used.

whereby

FV = 0 if i1 ≤ i2

where:

i1 = the 12-year swap rate applicable at the time of the transfer. If there is no regular swap rate anymore, the pension institution reserves the right to use the return of an equivalent euro investment.

i2 = the 12-year swap rate at the time of the single premium or reserve transfer deposit. In case of premiums and allocations, an average is calculated based on the 12-year swap rate for the period between the time of the first deposit and the time of the transfer (up to a maximum of 7 years, calculated retroactively from the moment of the transfer).

The financial fee does not apply to the transfer of reserves of a Branch 23 group life insurance.

In case of a transfer of the reserves of the financing fund, the pension institution also charges a liquidation fee that is calculated in the same way and based on the same terms. However, administrative fee is only charged in the event of collective capitalisation.

The transfer of the theoretical surrender value is postponed until the liquidation fee has been paid in full to the pension institution.

If the reserves in the financing fund are linked to a Branch 23 life insurance investment fund, the organiser may transfer the reserves to another investment fund of the pension institution in accordance with the provisions of the financial management agreement.

Article 22 – Reinstatement

When a Branch 21 group life insurance has been reduced or surrendered in order to transfer the reserves to another pension institution, it may be reinstated at the request of the organiser within the time limits provided by the applicable legislation. The reinstatement may be made subject to medical acceptance in accordance with the conditions valid at that time.

For a reduced pension commitment, reinstatement takes place by adjusting the premium, taking into account the affiliate's age and the theoretical surrender value accrued at the time of the pension commitment's reinstatement.

For a pension commitment surrendered in connection with a collective reserve transfer, reinstatement takes place by paying back the surrender value and by adjusting the premium to take into account the affiliate's age and the theoretical surrender value at the time of this surrender.

The organiser must request the reinstatement to the pension institution in writing. It shall take effect after the pension institution has notified the organiser.

For the reinstatement of a surrendered Branch 23 group life insurance, units are purchased based on the net portfolio value on the second bank working day after the surrender values' receipt in the financial account of the pension institution.

Article 23 – Advances and pledges

Advance payments on benefits and pledging of pension rights to secure a loan are authorised only under the pension institution's acceptance policy to place the affiliate in a position to acquire, build, improve, repair or convert real estate, within the territory of the European Economic Area (EEA), that yields taxable income.

The conversion system defined as a special assessment system is applicable insofar as these advance payments and pledges are allocated for the building, acquisition, conversion, improvement or repair of a sole residence located in the European Economic Area (EEA) that is exclusively intended for the personal use of the beneficiary of the advance payment and his or her family members.

Advance payments are allocated by the pension institution on condition that:

- the affiliate signs an advance payment contract;
- the affiliate agrees to the interest to be paid in advance which is calculated by the pension institution on the basis of the

applicable interest rate at the time the advance is allocated;
- the written agreement of any accepting beneficiary(ies) of the pension commitment is obtained.

Advance payments must be repaid as soon as these goods no longer form part of the assets of the affiliate or as soon as the cover in the event of death is cancelled.

Advances and pledges can only be withdrawn for an amount up to the net theoretical surrender value (after withholding tax, RIZIV/INAMI, solidarity contribution and possible penalties) multiplied by a fraction with numerator 1 and denominator 1 plus the interest rate applied by the pension institution calculated at the time when the advance is allocated. However, the advance to be withdrawn can never amount to more than the insured net lump sum (equivalent) death benefit.

If an advance payment is allocated, the right to profit-sharing lapses for the amount of the mathematical reserves corresponding to the amount of the advance payment, in accordance with the profit sharing plan.

Article 24 – Medical acceptance

The pension institution reserves the right to impose medical formalities and/or examinations insofar as authorised by law. In certain cases, the pension institution, in accordance with its medical acceptance policy, shall impose a medical examination, carried out at its expense. This policy may be applicable in the following cases, among others:
- on affiliation;
- if the insured benefits are increased in the event of death or the reinstatement of the pension commitment;
- in case of voluntary personal contributions;
- in case of postponement if this is authorised by the pension rules.

With regard to the death benefits, a medical examination can only be imposed if the affiliate is given the freedom to choose the extent of the death cover himself/herself or if the lump sum death benefit is at least 50% higher than the retirement lump sum or if there are ten employees or fewer affiliated to the pension scheme.

If an increased risk is found, the pension institution may, if permitted by the law and in application of its medical acceptance policy, charge an additional premium or refuse the risk in whole or in part.

Article 25 – Provisions for affiliates not in full-time employment

The provisions of this article do not apply to affiliates who have taken time credit or special leave.

Affiliates with a part-time employment contract

For affiliates with a part-time employment contract, the reduced working hours are taken into account to determine the rights on retirement and in the event of death, the budget, the available or allocated pension amount and the personal contributions. Chapters III, IV and V clarify the rules for part-time benefits for each type of pension commitment.

Incapacity for work of the affiliate as a result of illness or accident

a) for pension commitments that **are not linked to rules of a collective insurance waiver of payment of premium for the pension commitment**, the following provisions apply:

   1. in the event of **partial** incapacity for work, the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions are determined from the change date in accordance with the procedure described above under 'Affiliate with a part-time employment contract';

   2. in the event of **complete** incapacity for work, the premiums' payability is discontinued, term life insurance is terminated, the budget, the available or allocated pension amount is set to 0, and the employer's contribution agreement and personal contribution agreement are reduced from the change date.

   If the employee returns to work at the same level of employment, the following shall apply from the date the employee returns to work, or from the first of the month coinciding with or following the date of resumption of work if the employee returns to work at a different level of employment: the premiums shall again be due and the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall be calculated according to the affiliate's level of employment in accordance with the procedure described under 'Affiliate with a part-time employment contract'. Periods of full-time suspension of work are equal to a level of employment 0.

If the period of incapacity for work due to illness or an accident is less than 30 days, the procedure described above shall not be applied, but the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall be continue to be defined as if the affiliate's level of employment had remained unchanged.

b) For pension commitments that **are linked to rules of a collective insurance waiver of payment of premium for the pension commitment**, the following provisions apply:

1. In case of **partial** incapacity for work

For an affiliate who becomes partially unable to work and who was affiliated to the waiver of payment of premium prior to the incapacity for work, the following applies:

- i. Until the waiting period as specified in the rules of the waiver of payment of premium expires, the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall continue to be calculated according to the rate of employment applicable when the incapacity for work starts;
- ii. As soon as the waiting period as provided in the rules for the waiver of payment of premium expires:
    1. for the part relating to the part-time employment at that time, the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions are determined in accordance with the procedure described above under 'Affiliate with a part-time employment contract'.
    2. for the part related to the part-time incapacity for work:
        a. the rights on retirement and in the event of death, the budget, the available or allocated pension amount and the personal contribution shall be determined in accordance with the procedure 'Affiliates with a part-time employment contract' based on the data applicable at the start of the incapacity for work;
        b. the pension institution shall pay the benefits included in the rules for the waiver of payment of premium;
        c. the payability of the premiums and the personal contributions shall be discontinued.

2. in case of **complete** incapacity for work:

For an affiliate who becomes fully unable to work and who was affiliated to the waiver of payment of premium before the incapacity for work, the following applies:

- i. until the waiting period as specified in the rules of the waiver of payment of premium expires, the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall continue to be calculated according to the rate of employment applicable when the incapacity for work starts;
- ii. As soon as the waiting period as provided in the rules for the waiver of payment of premium expires:
    1. the rights on retirement and in the event of death, the budget, the available or allocated pension amount and the personal contribution shall be retained for the amounts applicable at the start of the incapacity for work;
    2. the pension institution shall pay the benefits included in the rules for the waiver of payment of premium;
    3. the payability of the premiums and the personal contributions shall be discontinued.

When work is resumed the premiums immediately fall due again. The rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions are calculated in accordance with the special terms and conditions and based on the salary and the rate of employment at the time.

If the period of incapacity for work due to illness or an accident is less than 30 days, the procedure described above shall not be applied, but the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall be continue to be defined as if the affiliate's level of employment had remained unchanged.

Suspension of the implementation of the affiliate's employment contract with loss of salary

When the implementation of an affiliate's employment contract is suspended for a reason that is not:

- the taking of time credit or other specific leave; or
- incapacity for work due to illness or an accident;

the payability of the premiums is discontinued from the change date. Term life insurance policies that cover the risk for automatically renewable one-year periods shall be terminated. The budget, the available or allocated pension amount shall be set to 0 and the employer’s contribution agreement and personal contribution agreement shall be reduced.

After the suspension the premiums are again due as of the first of the month coinciding with or following the date the suspension is lifted. Rights are calculated according to the special terms and conditions and on the basis of the salary and the rate of employment at that time. If the rights depend on the number of pensionable years, the suspension period is considered for the definition of the pensionable years in proportion to the rate of employment applicable during that period. For a full suspension a 0 percentage is applied.

If the period of suspension of the implementation of the employment contract is less than 30 days, the procedure described above shall not be applied, but the rights on retirement and in the event of death, the budget, the available or allocated pension amount and/or the personal contributions shall be continue to be defined as if the affiliate's level of employment had remained unchanged.

If the pension commitment is linked to rules of collective waiver of payment of premium and the suspension of the implementation of the employment contract is a result of pregnancy or childbirth as legally provided in the social security system, the procedures above shall not apply. In that case the provisions with respect to 'Incapacity for work of the affiliate due to illness or accident' apply.

Section 2 – Additional provisions for cover in the event of death

Article 26 – Notification of death

The death of the affiliate must be notified to the pension institution within 8 days at the latest. In the event of late notification, the pension institution may reduce its contribution by the loss it has incurred, unless evidence is supplied that the notification of death was submitted as soon as reasonably possible.

The notification must be made using the appropriate form and must be accompanied by all original documents, certificates and reports.

The affiliates agree that, after their death, the attending physician shall notify the pension institution's consulting physician of the cause of death. The pension institution may request additional information or have an autopsy carried out at its expense. Where appropriate, the pension institution shall await the results before adopting a standpoint on whether or not the death is covered.

If false reports are presented, false declarations are given or certain facts of circumstances are deliberately withheld which are clearly of importance in reviewing the death, the pension institution may refuse its intervention and claim back any sum unduly paid, plus interest at the statutory rate.

Article 27 – Geographical scope

The death risk applies worldwide without prejudice to the provisions of the other articles under 'Additional provisions for cover in the event of death'.

Article 28 – Deliberate act

The death of the affiliate caused by a deliberate act by one of the beneficiaries, or aided and abetted by them, is not covered. A deliberate act is an act committed with the intention of killing or causing serious injury to the affiliate.

Article 29 – Aviation

The death of the affiliate from the consequences of an accident involving an aircraft on which he or she embarked as pilot or member of the flight crew is not covered.

The death of the affiliate from the consequences of an accident involving an aircraft on which he or she embarked as passenger is covered, except where an aircraft is involved:

- if the affiliate knew or could have known that the aircraft did not have a flying permit for the transport of passengers or goods;

- if the aircraft belongs to the air force and is not intended for passenger transport;
- if the aircraft is transporting products with strategic characteristics in areas of hostilities or uprisings;
- if the aircraft is being prepared for or participating in a sporting event;
- if the aircraft is doing test flights;
- if the aircraft is ultra-light and motorised (ULM).

Article 30 – Riots and terrorism

No cover is provided if the death is a direct and immediate consequence of riots or civil disturbances in which the affiliate voluntarily and actively participated.

A death caused by an event recognised as terrorism is covered in accordance with the provisions of the Act of 1 April 2007 on insurance against damage caused by terrorism. The pension institution is a member of the non-profit organisation 'Terrorism Reinsurance and Insurance Pool' (TRIP), which was established in application of the aforementioned act. However, no cover is provided if the affiliate voluntarily and actively participated in such acts.

Terrorism is taken to mean: a clandestine act or imminent act with ideological, political, ethnic or religious intentions, carried out by an individual or group, in the course of which violence is used against persons or the economic value of tangible or intangible property is fully or partially destroyed, either to impress the general public, to create an atmosphere of non-safety or to put pressure on the authorities, or to obstruct the traffic or normal operations of a service or business.

Article 31 – War

No cover is provided for death as a result of an event of war, i.e. an event which is the direct or indirect consequence of an offensive or defensive action by a warring power or any other event of a military nature.

If the conflict breaks out while the affiliate is staying abroad, cover is granted for the war risk on condition that the affiliate does not participate actively in the hostilities.

Article 32 – Benefits in case of non-covered death

For the non-covered cases described above, the pension institution pays the theoretical surrender value, calculated on the day of the death and restricted to the insured capital in the event of death.

If the death of the affiliate occurs as a result of a deliberate act by (one of) the beneficiary(ies), or aided and abetted by him/her(them), the beneficiary(ies) having deliberately caused the death lose all rights to the insured benefits. In that case, contrary to the previous paragraph, the insured benefits are not limited to the theoretical surrender value. Instead, they are paid in full to the other beneficiaries in accordance with the order of priority set out in the article on beneficiary designation in the event of death.

The insured death benefits are paid without limitation to the beneficiary(ies), if the death of the affiliate is attributable to suicide.

Section 3 – Miscellaneous provisions

Article 33 – Notifications

The organiser makes sure that all affiliates are entitled to the advantages offered to them by the pension commitment in full by informing them correctly and giving them all useful documents. The organiser provides the pension institution with the necessary information so that the management can take place correctly and smoothly and makes sure that premiums are paid on time. The pension institution must take into account the data in DB2P supplied by non-profit organisation Sigedis to manage the pension commitments.

The organiser shall inform the pension institution of any changes in its company situation and of any significance for the application of the pension rules.

The affiliate still employed by the organiser shall immediately inform the organiser of any changes in his or her family situation or marital status which may give rise to an adjustment of the insured benefits or the beneficiary designation in the event of death. If the affiliate is no longer employed by the organiser, the affiliate shall inform the pension institution of this. The affiliate is fully responsible for the completeness and accuracy of the information provided by him.

Each written notification by one party to another is considered to be made on the postal or electronic send date. The dispatching of a registered letter is proved by the post office receipt. In the case of failure to present the original copy of any correspondence, the copy in the files of the pension institution is valid as evidence.

By way of derogation from the above, each notification by the pension institution to the affiliate is considered to be done by means of the last benefit statement sent.

Letters shall be validly sent if they are sent to the address stated by the recipient. If one of the parties changes address, the new address shall be notified to the other party without delay. If a party fails to communicate the new address, letters shall be validly sent to the previous address.

Article 34 – Communication

The pension institution issues a benefit statement to active affiliates once a year.

Passive affiliates can consult their benefit statements on DB2P (www.mypension.be).

Each year, the pension institution draws up a transparency report on the management of the pension commitment and the principles of the investment policy in the layout that applies to all of its clients. This transparency report is made available to the organiser. The organiser shall immediately provide the report to the affiliates at their request.

For the Branch 23 group life insurance, the principles of the investment policy are included in the general management regulations of the funds.

Article 35 – Applicable legislation, jurisdiction and amicable medical procedure

The group insurance and the associated agreements are subject to Belgian law, particularly the laws and regulations applicable to life and supplementary insurance in general and group insurance in particular in Belgium. Even if the organiser is established outside Belgium, the parties shall expressly opt for the application of Belgian law. Any dispute relating to these agreements falls under the exclusive jurisdiction of the courts in Brussels.

The Supplementary Pensions Act is applicable to the supplementary retirement and survival pensions for affiliates with employee status (or their lawful claimants) whose employment contract is subject to Belgian labour law and/or whose usual place of employment is Belgium. Unless otherwise reported by the organiser, the pension institution assumes that these conditions are met by affiliates with employee status.

Provided the parties enter into an express written agreement on this at the earliest at the time the dispute comes into being, disputes on medical matters can be settled in an amicable medical procedure (arbitrage), in which the parties each appoint their own medical practitioner. If no agreement is reached between the medical practitioners, a ‘third’ medical practitioner is appointed by them or, in the absence of agreement, by the president of the competent court of first instance. The board thus formed decides by majority of votes and the decision is irrevocable. However, on pain of nullity of their decision, the doctors may not deviate from the provisions of the pension rules. Each party pays the fees of its appointed medical practitioner. The fees of any ‘third’ medical practitioner are shared equally between the parties.

Article 36 – Applicable system of taxation

As regards the tax imposed on the premiums and allocations, Belgian legislation and/or the legislation of the country of residence of the organiser applies.

Any granting of tax advantages on the premiums and allocations is determined by the tax laws of the country of residence of the organiser and/or the affiliate. In specific cases, the legislation of the country where taxable income is obtained is applicable.

The insurance benefits are taxed in accordance with Belgian legislation and/or the legislation of the country of residence of the beneficiary.

As regards any inheritance tax, the legislation of the country of residence of the deceased and/or the beneficiary is applicable.

The pension institution will make the legally compulsory deductions at the time of payment of the benefits. For further information concerning the applicable tax system, the organiser can address the pension institution.

A 'Defined benefits' pension commitment aims to accrue a supplementary pension in line with the full career of the affiliate at the company or at another company forming part of the same group, especially including the years preceding the affiliation and/or the payment of contributions, so that each contribution forms consideration for the services performed during the financial year or previous financial years. The years of service performed at another company that is not part of the same group are also considered, subject to a maximum of 10 years.

As a result of the tax legislation and the directives issued by the Direct Taxation Authorities on this subject, tax relief of employer's contributions and tax reduction for the personal contributions are granted only insofar as the total amount on retirement, expressed as an annual pension

- of the benefits insured under this pension commitment,
- of the statutory retirement pension,
- of the other extralegal benefits of a similar nature to which the affiliate shall be entitled, with the sole exception of the benefits from (complementary) individual life insurance policies effected by the affiliate

does not exceed 80% of final normal annual gross earnings based on a normal career length.

This annuity is indexed at 2% and 80% of the annuity can be transferred to the spouse or the legally cohabiting partner.

The pension institution cannot be held liable for any adverse tax consequence relating to the deductible nature of the employer's contributions for the organiser or the tax relief in respect of personal contributions for the affiliate if this results directly from incorrect information supplied to the pension institution by the organiser or the affiliate.

Article 37 – Protection of privacy

In its capacity as controller, the pension institution collects and processes personal data in connection with the acceptance and management of the group insurance using the following forms (completed on paper or in digital form):

- Affiliation to group insurance or reception structure;
- Report of illness / accident / pregnancy / childbirth;
- Change of beneficiary designation in the event of death;
- Proposal or study of a group insurance;
- Medical questionnaire or report;
- Payment on retirement or in the event of death and the allocating of an advance;
- Salary specification for the annual adjustment.

To keep this data up to date, we ask various parties such as the organiser, the affiliate, the beneficiary and various government agencies or government databases to supply these details.

By personal data, we mean data relating to the organiser and the data the organiser or affiliate communicates about persons they represent (for example, the affiliate represented by the organiser and the family members or beneficiaries represented by the affiliate). The party communicating the data shall individually inform the persons whose data it is communicating, shall draw their attention to these provisions of the privacy policy and shall obtain their prior consent to communicate their personal data.

In connection with this relationship with the pension institution, the pension institution may collect and process the following personal data: personal identification information, identification information provided by the authorities, electronic localisation information, financial identification information, national registration number, personal and physical information, lifestyle habits, health information, legal information, political information of politically exposed persons (PEPs), education, occupation and employment as well as audio and visual recordings.

Personal data may be processed for the following purposes:

- evaluating risks; concluding, managing and executing contracts/insurance policies; managing claim files, including legal assistance and defence and possible reimbursement;
- allocating and managing advance payments and agreement of assumed beneficiary designation;
- payments;
- managing reserves;
- accounting and taxation associated with these various services;
- complaints management;
- managing disputes;
- reinsurance;
- preventing breaches such as fraud, money laundering and terrorism;
- compliance with the legal and regulatory obligations of the pension institution;
- promoting other products or services as based on anonymised personal data of the affiliated in the group insurance;
- processing for statistical purposes, based on anonymized personal data;
- improving the quality and security of the services of the pension institution;
- carrying out satisfaction surveys.

Only for these purposes may personal data be shared, if necessary, with other recipients, more specifically, the organiser, other pension institutions, re-insurers, (re-) insurance brokers and other intermediaries, lawyers, consultants and supporting service providers, experts/technical advisers, repair companies, medical advisers, revisers, IT service providers and ombudsmen established in Belgium or abroad and with conventional authorities in connection with a legal obligation.

The pension institution ensures that the persons it employs who are authorised to process personal data have received appropriate training and are committed to respecting the confidentiality of said personal data.

The legal basis for the processing of personal data is the insurance contract, a legal provision, the consent of the data subject or the legitimate interest of the pension institution. The management of the group insurance, including the processing of personal data, is always subject to the supervision of the competent authorities and controlling agencies.

The pension institution shall take the necessary preventative measures to ensure maximum security.

The pension institution may hire subcontractors at any time and shall take the necessary preventative measures in doing so by concluding model contracts to require them to take the appropriate technical and organisational security measures to process personal data in full compliance with the General Data Protection Regulation (hereinafter referred to as GDPR).

In its capacity as controller, the pension institution carries out internal checks and collaborates in any checks to be carried out by the competent authorities and controlling agencies.

Personal data is stored by the pension institution for the duration necessary to achieve the objective. Said data is stored on digital media that can be found in the European Union at all times.

More specifically, health information will be processed with the greatest discretion and only by a person who is authorised to do so.

The pension institution may transfer personal data to third countries. In this case, the pension institution shall ensure that the personal data shall only be passed on, made available or accessible to the representation of the organiser in the European Union or to countries on the list of sufficiently protected countries, unless in connection with foreign legislation it is required to exchange personal data with a country that does not offer an appropriate level of protection.

In the event of a data breach of personal data, the pension institution shall, without delay and if feasible within 72 hours after the breach has been established, inform the supervisory body of the data breach in accordance with Article 55 of the GDPR, unless it is highly improbable that the data breach presents a risk to the rights and freedoms of the natural persons concerned. When informing the supervisory body is not possible within 72 hours, the reason for the delay shall be provided.

The affiliate may view their personal data and have it corrected by way of a dated and signed request, accompanied by a front and back copy of the identity card, addressed to P&V Verzekeringen cv/P&V Assurances sc at Rue Royale/Koningsstraat 151, 1210 Brussels, Belgium, for the attention of the Data Protection Officer, Compliance Department (dpo@pvgroup.be).

Furthermore, using the same procedure affiliates may also, within the prescribed limits of the GDPR and insofar as these questions are not in conflict with the management of group insurances and the applicable legislation, object to the processing of their personal data or request the limitation thereof, request that their personal data be deleted or exercise the right to data portability.

Where appropriate, affiliates may also request an explanation of any automated decisions that may be made. More information can be found at the same address.

Any complaints may be submitted to the Data Protection Authority (www.dataprotectionauthority.be).

Article 38 – Politically exposed persons (PEPs)

The Belgian law on the prevention of money laundering and terrorist financing requires pension institutions to have procedures in place that enable the identification of their clients (the organiser, and in case of legal persons the ultimate beneficiaries and representatives) and the beneficiaries of the group insurance policy (where appropriate, their ultimate beneficiaries if the beneficiary is a legal person) who are politically exposed persons (PEP), family members of PEPs or persons known to be close associates of PEPs.

According to the law, a 'politically exposed person' is a natural person who is or has been in a prominent public position, and specifically:

1. heads of state, heads of government, ministers and secretaries of state:
   a) the King;
   b) the Prime Minister, Ministers-President, Deputy Prime Ministers;
2. members of parliament or members of similar legislative bodies:
   a) the president of the chamber, the president of the senate, the president of parliament, members of parliament, senators, co-opted senators, the presidents and members of the parliamentary committees;
3. members of the governing bodies of political parties:
   a) the members of the party leadership, the board and council of a party, the executive committee and the party secretariat;
4. members of supreme courts, constitutional courts, or other high-level judicial bodies, including administrative judicial authorities which issue judgements against which there is no appeal, except in exceptional circumstances;
   a) judge in the Court of Cassation (including the first president, the president and the sectional presidents);
   b) legal counsel in the Court of Appeal (including the first president and the presidents of the chambers);
   c) judge in the Labour Court (including the first president and the presidents of the chambers);
   d) alternate judges in these three courts;
   e) the first president, presidents, presidents of chambers, members of the Council of State, assessors, and auditors to the Council of State;
   f) judges in the Constitutional Court (including the presidents);
5. members of the courts of auditors or the boards of directors of central banks:
   a) the Governor and the members of the Executive Committee and the Council of Regency of the National Bank of Belgium;
   b) the first president, the presidents and legal counsels of the Court of Auditors;
6. ambassadors, consuls, chargés d'affaires and senior officers in the armed forces:
   a) the ambassadors, consuls and chargés d'affaires;
   b) officers holding the rank of general or admiral appointed by the King for a specific function;
   c) officers holding the rank of lieutenant-general or rear-admiral appointed for their office by the King or the Minister for Defence, as appropriate;
   d) officers holding the rank of major-general or divisional admiral appointed for their office by the King or the Minister for Defence, as appropriate;
   e) officers holding the rank of brigadier-general or flotilla-admiral designated by the King for a specific function;
7. members of the administrative, management or supervisory bodies of public-sector companies:
   a) the chief executive officer, the managing or acting managing director, the chairman, directors and members of the

board of directors, the chairman and members of the management committee and the executive committee, the government commissioners;

b) directors, deputy directors and members of the board of directors or holders of equivalent positions in international organisations established on Belgian territory.

The law understands a 'family member' to be:

a) the spouse or a person considered to be the equivalent of a spouse;
b) the children and spouses of those children or persons considered to be the equivalent of a spouse;
c) the parents.

AND 'persons known to be close associates' are:

a) natural persons who, together with a politically exposed person, are the ultimate beneficial owners of a company, a non-profit association or a foundation, or who are known to have other close business relations with a politically exposed person;
b) natural persons who are the sole ultimate beneficial owners of a company, a non-profit association or a foundation, which is known to have actually been set up for the benefit of a politically exposed person.

Obligation of the organiser

In connection with the group insurance policy, the organiser shall communicate whether he or she is considered to be a politically exposed person or a family member of a PEP or a person known as a close associate of a PEP according to the definition in the legislation (see above).

That obligation shall be extended to the other persons concerned – specifically the representatives – and the beneficiaries of the group insurance.

By accepting the general terms and conditions, the organiser shall inform the pension institution immediately if, in the course of the contract, the organiser, the representative or the beneficiary becomes or ceases to become a politically exposed person, a family member of a PEP or a person known as a close associate of a PEP.

Articel 39 – U.S. Persons

The Branch 23 cash balance collective capitalisation group insurance has not been registered in accordance with the United States of America's federal laws governing the trading of securities, nor with the country's financial supervisory authority, the US Securities and Exchange Commission.

In principle, the pension institution shall not offer this type of group insurance to any policyholders who can be qualified as 'US Persons' based on the definitions below.

The following natural persons are considered 'US Persons':

- persons who are a national of the United States of America;
- holders of a Green Card;
- persons whose principal or secondary residence is in the United States of America or one of the US Territories;
- persons who identify themselves as 'US Persons';
- persons who are being represented, assisted or advised by a natural person or entity residing or established in the United States of America or one of the US Territories for a transaction or part of a transaction.

The following legal entities are considered as 'US Persons':

- a legal entity incorporated or organised under the laws of the United States, except an affiliate or branch of such legal entities located outside the United States of America with which all contact regarding Securities Activities happens outside the United States;
- or a US bank or broker-dealer;
- any affiliate or branch with its current address in the United States of America, whether organised under the laws of the United States or not;
- a legal entity that identifies itself as a US Person or chooses the United States as the location of its registered office in the context of any business relationship with the pension institution;
- a legal entity that is represented, assisted or advised by a natural person or an entity residing or established in the United States of America or one of the US Territories for a transaction or part of a transaction.

The organiser and/or affiliate must immediately inform the pension institution of any changes in the data about the affiliate(s) or themselves, their authorised representative or their co-account holder that causes a (fiscal) relationship with the United States to arise whereby the organiser and/or affiliate qualifies as a US Person (for example by acquiring US nationality, a Green Card and an American residential, postal or fiscal address).

If, based on new information, the organiser and/or affiliate were to qualify as a US Person during the term of the agreement, the pension institution reserves the right to investigate the new situation and implement the appropriate or necessary consequences. This may mean that the person concerned is subjected to certain limitations and/or it is no longer possible to increase the current premium, make an additional deposit, reinstate a reduced or transferred group insurance policy or extend or renew the contract.

Article 40 – Good faith, fairness and equity

The organiser regulates the matters in its relationship with the affiliates not explicitly provided for by the pension rules or which are open to interpretation. If the pension institution is an interested party in this respect, this always occurs in consultation with it. Such matters must always be settled within the limits and taking account of good faith, fairness, reasonableness and the spirit of the pension rules.

Article 41 – Handling of complaints

For a complaint relating to the present contract, the organiser may contact:

- In the first instance: VIVIUM's Complaints Management service, Rue Royale/Koningsstraat 151, 1210 Brussels, tel.: 02 250 90 60, e-mail: klacht@vivium.be
- For appeals: Insurance Ombudsman, Square de Meeûs/de Meeûsplantsoen 35, 1000 Brussels, www.ombudsman.as.

Such a complaint does not preclude the possibility of bringing legal proceedings.

Article 42 – Changes to the general terms and conditions

If the pension institution wishes to change the general terms and conditions, it will propose to the organiser to apply the changed general terms and conditions as of a certain date. If the organiser informs in writing, within a term of 90 days after the proposition has been made, the pension institution that he refuses this change, the previous general terms and conditions shall continue to apply without prejudice to any amendments imposed by new statutory and regulatory provisions concerning supplementary pensions and insurance.

CHAPTER III. Provisions applicable to 'defined contribution' pension commitments

Article 43 – Acquired benefit and acquired reserves

The acquired reserves are equal to the amount in the affiliate's employer's contribution agreement and personal contribution agreement at the time (including profit sharing in case of a Branch 21 group life insurance policy).

Provided that the basic rates apply until retirement age, the acquired benefit is equal to the reduction value on retirement age of the acquired reserves in the employer's contribution agreement and personal contribution agreement.

If the affiliate opts to transfer the acquired reserves accrued during employment at a previous organiser to the pension commitment at the current pension institution, these transferred reserves can never be placed in the employer's contribution agreement and/or personal contribution agreement, and are always placed in the reception structure associated with the pension commitment.

Article 44 – Payment of retirement benefits if the right to withdraw the benefit is used

If the right to withdraw the benefit as stipulated in the article on 'Payment of benefits on retirement' is used:

- the entitlements ('rights') in the event of death after withdrawal are calculated as follows:
  - the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross lump sum payment;
  - if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
  - from the next annual adjustment, the amount deducted previously shall be capitalised to the next annual adjustment date according to the applicable basic rates for Branch 21 group life insurance policies;
- in the event of payment of benefits on retirement or in the event of death, the gross amount already paid out – capitalised in accordance with the basic rates for Branch 21 group life insurance up to the payment date – shall be taken into account.

Article 45 – Postponement of the maturity date

In the case of active affiliates

- salary increases are taken into account in accordance with the provisions of the pension commitment;
- the rights on retirement continue to be calculated in accordance with the provisions of the pension commitment whereby:
  - the contributions continue to be paid during the year of postponement;
  - the seniority is recognised if this is taken into consideration when determining the defined contributions;
  - the claim/cover in the event of death shall continue to be calculated in accordance with the provisions of the pension rules in force at the time of the postponement.

In the case of passive affiliates

- the paid contributions then evolve on the basis of the basic rates applicable at that time to postponements in the group insurance policies;
- who have opted to leave their acquired reserves in the pension commitment, whereby the only change is death cover that is identical to the amount of the acquired reserves, this death cover is taken into account;

The right to withdraw the benefit

If the right to withdraw the benefit is used as set out in the article on 'Postponement of the maturity date' in this chapter, the entitlements ('rights') are calculated as follows:

For **entitlement/cover on retirement**:

- in the event of payment of benefits on retirement or in the event of death, the gross amount already paid out – capitalised in accordance with the basic rates for Branch 21 group life insurance up to the postponement – shall be taken into account.
- from the next year of postponement and for each postponement thereafter, the entitlement on retirement provided on the postponed maturity date reduced by the amount deducted previously shall be capitalised to the new maturity date according to the basic rates for Branch 21 group life insurance policies that apply to the postponement.

For **entitlement/cover in the event of death**:
- the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross capital payment;
- if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
- from the next year of postponement and for each annual postponement thereafter, the amount deducted previously shall be capitalised to the new maturity date according to the applicable basic rates for the postponement for Branch 21 group life insurance policies;

Article 46 – Determination of rights for affiliates with a part-time employment contract

For salary-related rights and/or personal contributions the calculation is made on the basis of the salary corresponding to full-time work. The calculated rights and/or personal contributions are then proportionally converted in function of the level of employment.

Fixed rights and/or fixed personal contributions are proportionally converted in function of the level of employment.

Article 47 – Operating principles applicable to cafeteria plans

The following provisions apply if the special terms and conditions state that the pension scheme is a cafeteria plan in which the rights provide for a general premium budget that the affiliate can distribute according to a range of cover options provided for in the special terms and conditions.

Affiliation

Each affiliation takes places in accordance with the option of the organiser.

Affiliation in accordance with an explicitly communicated choice can only take place when the pension scheme takes effect and at specific times when options can be taken in accordance with the following provisions.

When options can be taken

An affiliate can change the option of the organiser or a choice he or she made previously on the date of affiliation, when there is a change in the family situation, in the event of a pledge and on the annual adjustment date.

The relevant administrative processing shall occur on the first of the month coinciding with or following the date on which the application is received by the pension institution, or at a later date if the affiliate so requests.

Shortfall in the budget pursuant to a request to change an option

If the employer’s contributions or the budget borne by the organiser are insufficient to fund the new option, the existing insurance cover shall continue to apply.

The affiliate shall be informed accordingly in writing and is entitled to make a different choice within the range defined within the pension rules, provided that the funding of this choice does not exceed the employer’s contributions.

Shortfall in the budget pursuant to a change in salary, a change in the family situation or a change in the level of employment

If the employer’s contributions or the budget borne by the organiser are inadequate to finance the increased cover, the insured risk cover, insofar as it does not already equal the option of the organiser or the standard defined benefit, shall be reduced to the option of the organiser.

If the employer’s contributions or the budget borne by the organiser are then still inadequate, the insured risk cover shall be reduced to the standard defined benefit, insofar as this was not already the case, with the exception of the physical accidents cover which has no standard defined benefit.

The affiliate shall be informed accordingly in writing. The affiliate is entitled to convert to an option available under the cover provided for in the pension rules provided that the funding thereof does not exceed the amount of the employer's contributions. The nominal insured sums guaranteed before the change shall continue to apply until the new choice has been communicated, but for a maximum of thirty days after written confirmation from the pension institution. If incapacity for work occurs in the meantime, there can be no change to a 'higher' cover than the cover applicable before the change.

In case the employer’s contributions or the budget borne by the organiser are insufficient to fund the standard defined benefit, the organiser shall make up the shortfall. The amounts required to fund the standard defined benefits are determined in accordance with the going rates of the pension institution as set out in the technical sheet lodged with the supervisory authority, taking into account the affiliate's age and gender and, with regard to the incapacity for work cover, their profession.

The administrative processing of this shall take place on the change date.

Additional premium in connection with medical acceptance

If the chosen cover is subject to medical acceptance and this results in an additional premium, the additional premium shall be payable by the affiliate, on top of the contributions specified in these pension rules.

If the pension institution, in implementation of its medical acceptance policy, requests an additional premium in relation to the standard defined benefit, the additional premium shall always be payable by the organiser and in addition to the employer’s contributions.

Article 48 – Single premium to finance the period covered by severance pay

If the notice period is not completed in the event of a redundancy and the equivalent value of the employer’s contributions in the group insurance were not included in the basis for calculating the severance pay during the notice period, the employer’s contributions payable during the notice period destined to accrue benefits on retirement and in the event of death shall be paid into the group insurance as a single premium. This single premium is paid on the employer’s contribution agreement based on basic rates for the Branch 21 life insurance group insurance policies. The taxes due on this single premium are also borne by the organiser.

The benefits established by the aforementioned single premium, including the benefits established by the profit sharing allocated with respect to this single premium, are used to insure a retirement lump sum according to the insurance combination of the pension commitment that increases the acquired benefit already accrued on the date of the termination of employment based on the pension rules.

The organiser remains obliged to finance any shortfall in the acquired reserves for the employer’s contribution agreement and the personal contribution agreement with respect to the cover referred to in the Supplementary Pensions Act on the date of termination of employment based on the applicable legislation.

CHAPTER IV. Provisions applicable to 'defined benefit' pension commitments

Article 49 – Acquired benefit and acquired reserves

The acquired benefit is equal to the time-weighted retirement lump sum or lump sum equivalent of the pension annuity, calculated on the basis of the elements of calculation applicable on the last annual adjustment date or subsequent modification date.

The acquired reserves are the present value of the acquired benefit and are calculated in this connection in accordance with the statutory provisions, the present value rules being the same as those applying for the calculation of the minimum reserve. If the special terms and conditions stipulate an alternative rule for calculating the acquired benefit or acquired reserves, and this rule gives a higher result than the provisions specified for this, the deviating rule takes precedence over the legal provision specified for this.

The acquired reserves must not be less than the amount in the affiliate's employer's contribution agreement and personal contribution agreement at the time (including profit sharing).

Provided that the basic rates apply until retirement age, the acquired benefit must under no circumstances be less than the reduction value on retirement age of the mathematical reserves acquired in the employer's contribution agreement and personal contribution agreement.

If the affiliate opts to transfer the acquired reserves accrued during employment at a previous organiser to the pension commitment at the current pension institution, these transferred reserves can never be placed in the employer's contribution agreement and/or personal contribution agreement, and are always placed in the reception structure associated with the pension commitment.

Article 50 – Payment of retirement benefits if the right to withdraw the benefit is used

If the right to withdraw the benefit as stipulated in the article on 'Payment of benefits on retirement' is used:

Individual capitalisation

- the entitlements ('rights') in the event of death after withdrawal are calculated as follows:
  - the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross capital payment;
  - if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
  - from the next annual adjustment, the amount deducted previously shall be capitalised to the next annual adjustment date according to the applicable basic rates for Branch 21 group life insurance policies;
- the entitlements ('rights') on retirement after withdrawal are calculated as follows:
  - the retirement lump sum (or lump sum equivalent of the pension annuity) is reduced on retirement age by the gross capital paid out, capitalised from the date of withdrawal until retirement age according to the applicable basic rates for Branch 21 group life insurance policies.

Collective capitalisation

- the entitlements ('rights') in the event of death after withdrawal are calculated as follows:
  - the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross lump sum payment;
  - If a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
  - from the next annual adjustment, and for each annual adjustment thereafter, the amount deducted previously shall be capitalised according to the actualisation rate used to calculate the acquired reserves;
- the entitlements ('rights') on retirement after withdrawal are calculated as follows:
  - the retirement lump sum (or lump sum equivalent of the pension annuity) is reduced on retirement age by the gross capital paid out, capitalised from the date of withdrawal until retirement age according to the actualisation rate used to calculate the acquired reserves.

Article 51 – Postponement of the maturity date

In the case of active affiliates

- salary increases are taken into account according to the provisions in the pension commitment;
- the rights on retirement continue to be calculated in accordance with the provisions of the pension commitment whereby:
    - the number of the affiliate's pensionable years is taken into account, as long as this has not reached the maximum number of authorised pensionable years in the pension commitment; and
    - whereby the right/cover in the event of death is further calculated in accordance with the provisions of the pension rules applicable at the time of the postponement.

In the case of passive affiliates

- the benefits to which the affiliate is entitled on retirement shall be at least equal to the benefits to which they were entitled at the maturity date under the terms of the pension rules;
- who have opted to leave their acquired reserves in the pension commitment, whereby the only change is death cover that is identical to the amount of the acquired reserves, this death cover is taken into account;

The right to withdraw the benefit

If the right to withdraw the benefit is used as set out in the article on 'Postponement of the maturity date' in this chapter, the entitlements ('rights') are calculated as follows:

Individual capitalisation

For **entitlement/cover on retirement**:

- the retirement lump sum (or lump sum equivalent of the pension annuity) is reduced on the postponed maturity date by the gross lump sum capitalised from the date of withdrawal until the new maturity date according to the basic rates applicable to the postponement for Branch 21 group life insurance policies;
- from the next year of postponement and for each postponement thereafter, the entitlement on retirement provided on the postponed maturity date reduced by the amount deducted previously shall be capitalised to the new maturity date according to the basic rates used or the postponement for Branch 21 group life insurance policies.

For **entitlement/cover in the event of death**:

- the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross capital payment;
- if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
- from the next year of postponement and for each postponement thereafter, the amount deducted previously shall be capitalised to the new maturity date according to the applicable basic rates for the postponement for Branch 21 group life insurance policies.

Collective capitalisation

- The retirement lump sum (or lump sum equivalent of the pension annuity) on the postponed maturity date is reduced by the gross paid-out capital with every postponement;
- The lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross lump sum payment with every postponement;
- If a supplementary, minimum or basic lump sum is provided in the event of death, this is reduced by the gross lump sum payment with every postponement.

Article 52 – Determination of rights for affiliates with a part-time employment contract

For salary-related rights the calculation is based on the salary corresponding to full-time work. If the rights depend on the number of pensionable years, the periods of part-time employment are converted in function of the level of employment applicable during these periods for the determination of the number of pensionable years. The sum of full-time and converted part-time years and months of service are limited to the maximum number of pensionable years that can be considered. If the rights do not depend on the number of pensionable years, they shall be proportionally converted in function of the level of employment.

For fixed rights that depend on the number of pensionable years, the periods of part-time employment are converted in function of the level of employment applicable during these periods for the determination of the number of pensionable years. The sum of full-time and converted part-time years and months of service are limited to the maximum number of pensionable years that can be considered. Fixed rights that do not depend on the number of pensionable years are proportionally converted in function of the level of employment.

Article 53 – Single premium to finance the period covered by severance pay

The calculation of the single premium and its allocation shall be determined in the special terms and conditions.

CHAPTER V. Provisions applicable to 'cash balance' pension commitments

Article 54 – Acquired benefit and acquired reserves

The reserves acquired at a given time are equal to the pension amounts already allocated and the additional allocated pension amounts, capitalised according to the allocated return as defined in the special terms and conditions.

If the special terms and conditions stipulate that in the event of a change in the return allocated by the organiser, the change only applies to pension amounts allocated in the future, the acquired benefit is obtained by capitalising the pension amounts already allocated, on the annual adjustment date or change date respectively, as well as the additional allocated pension amounts, on the allocated return until the maturity date.

If the special terms and conditions stipulate that in the event of a change in the return allocated by the organiser, the change applies both to the acquired reserves and the pension amounts allocated in the future, the acquired benefit cannot be determined.

Article 55 – Payment of retirement benefits if the right to withdraw the benefit is used

If the right to withdraw the benefit as stipulated in the article on 'Payment of benefits on retirement' is used:

- the entitlements ('rights') in the event of death after withdrawal are calculated as follows:
  - the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross lump sum payment;
  - if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
  - from the next annual adjustment, and for each annual adjustment thereafter, the amount deducted previously shall be capitalised to the next annual adjustment date according to the return provided by the pension rules;
- the retirement lump sum is reduced at the retirement age by the gross paid capital capitalised from the date of withdrawal until the retirement age in accordance with the return provided by the pension rules.

Article 56 – Postponement of the maturity date

In the case of active affiliates

- salary increases are taken into account in accordance with the provisions of the pension commitment;
- rights are then calculated in accordance with the provisions of the pension commitment whereby:
  - the pension amounts continue to be allocated during the year of postponement;
  - seniority is recognised if this is taken into account for determinating the amounts;
  - the right/cover in the event of death shall continue to be calculated in accordance with the provisions of the pension rules in force at the time of the postponement.

In the case of passive affiliates

- the allocated pension amounts continue to capitalise in accordance with the return provided by in the pension rules.
- who have opted to leave their acquired reserves in the pension commitment, whereby the only change is death cover that is identical to the amount of the acquired reserves, this death cover is taken into account.

The right to withdraw the benefit

If the right to withdraw the benefit is used as set out in the article on 'Postponement of the maturity date' in this chapter, the entitlements ('rights') are calculated as follows:

For **entitlement/cover on retirement**:

- the retirement lump sum at the postponed maturity date is reduced by the gross capital withdrawn, capitalised from the date of the withdrawal until the new maturity date in accordance with the return provided by the pension rules.
- from the next year of postponement and for each postponement thereafter, the entitlement on retirement provided on the postponed maturity date reduced by the amount deducted previously shall be capitalised to the next annual maturity date in accordance with the return provided by the pension rules.

For **entitlement/cover in the event of death**:

- the lump sum death benefit (or lump sum equivalent of the survivor's pension) is reduced by the gross capital payment;
- if a supplementary, minimum or basic capital sum is provided for in the event of death, this is reduced by the gross capital payment;
- from the next year of postponement and for each postponement thereafter, the previously reduced amount is capitalised to the new maturity date in accordance with the return provided by the pension rules.

Article 57 – Determination of rights for affiliates with a part-time employment contract

For affiliates with a part-time employment contract, the available amount or allocated pension amount and the lump sum death benefit is based on the salary corresponding to full-time work and is then proportionally adjusted.

For salary-related rights and/or personal contributions the calculation is made on the basis of the salary corresponding to full-time work. The calculated rights and/or personal contributions are then proportionally converted in function of the level of employment.

Fixed rights and/or fixed personal contributions are proportionally converted in function of the level of employment.

Article 58 – Operating principles in the event of options

The following provisions also apply if the special terms and conditions state that the pension scheme offers a range of choices in which the rights provide for a general available amount that the affiliate can distribute according to a range of cover options provided in the special terms and conditions.

Affiliation

Each affiliation takes places in accordance with the option of the organiser.

Affiliation in accordance with an explicitly communicated choice can only take place when the pension scheme takes effect and at specific times when options can be taken in accordance with the following provisions.

When options can be taken

An affiliate can change the option of the organiser or a choice he or she made previously on the date of affiliation, when there is a change in the family situation, in the event of a pledge and on the annual adjustment date.

The relevant administrative processing shall occur on the first of the month coinciding with or following the date on which the application is received by the pension institution, or at a later date if the affiliate so requests.

Shortfall in the available amount pursuant to a request to change an option

If the available amount is insufficient to insure the new option, the existing insurance cover shall continue to apply.

The affiliate shall be informed accordingly in writing and is entitled to make a different choice within the range defined within the pension rules, provided that its insurance does not exceed the available amount.

Shortfall in the available amount pursuant to a change in salary, a change in the family situation or a change in the level of employment

If the available amount is insufficient to fund the increased cover, the insured risk cover, insofar as it does not already equal the option of the organiser or the standard defined benefit, shall be reduced to the option of the organiser.

If the available amount is then still insufficient, the insured risk cover shall be reduced to the standard defined benefit, insofar as this was not already the case, with the exception of the physical accidents cover which has no standard defined benefit.

The affiliate shall be informed accordingly in writing. The affiliate is entitled to convert to an option available under the cover provided for in the pension rules provided that its insurance does not exceed the available amount. The nominal sums insured guaranteed before the change shall continue to apply until the new choice has been communicated, though with a maximum of 30 days after the written confirmation by the pension institution. If incapacity for work occurs in the meantime, there can be no change to a 'higher' cover than the cover applicable before the change.

In case the available amount is insufficient to insure the standard cover, the organiser shall make up the difference. The amounts required to insure the standard defined benefits are determined in accordance with the going rates of the pension institution as set out in the technical sheet lodged with the supervisory authority, taking into account the affiliate's age and gender, and, with regard to the incapacity for work cover, their profession.

The administrative processing of this shall take place on the change date.

Additional premium in connection with medical acceptance

If the chosen cover is subject to medical acceptance and this results in an additional premium, the additional premium shall be payable by the affiliate, on top of the contributions specified in these pension rules.

If the pension institution, in implementation of its medical acceptance policy, requests an additional premium in relation to the standard defined benefit, the additional premium shall always be payable by the organiser and in addition to the available amount.

Article 59 – Single premium to finance the period covered by severance pay

If the notice period is not completed in the event of a redundancy and the equivalent value of the allocated pension amounts and premiums during the severance period were not included in the basis for calculating the severance pay during the notice period, the premiums due for the death cover and the allocated pension amounts payable during the notice period destined to accrue benefits on retirement shall be paid as a single allocated pension amount to accrue the benefits on retirement allocated to the affiliate.