Pension commitment

General terms and conditions

(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)

VIVIUM is a brand of P&V Insurances sc/cv
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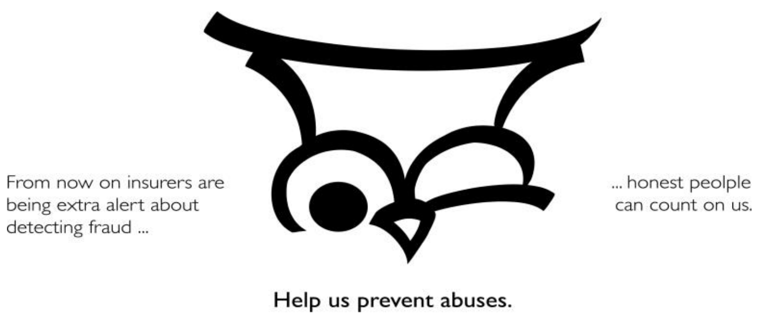
Any swindle or attempt to swindle the insurance company entails not only the cancellation of the insurance agreement, but also criminal prosecution on the basis of Article 496 of the Penal Code.

For a complaint relating to the present contract, the policyholder 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-insurance.be.

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



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1. DEFINITIONS

Article 1 Definitions

Affiliate:
Active affiliates are those employees who belong to the category for which the organiser has set up a pension commitment and satisfy the conditions for affiliation under this pension commitment.

Passive affiliates are former employees who still have existing or deferred rights if, on retirement, they have opted to leave their acquired reserves with the pension institution without amending the pension commitment.

For the application of this pension commitment, annuitants are not deemed to be affiliates.

- Married affiliate:
  An affiliate who is legally married and not legally separated, or in the process of divorce proceedings or proceedings for a legal separation.

- Legally registered cohabiting affiliate:
  An affiliate who is legally registered as cohabiting has equal status with a married affiliate, as laid down in Articles 1475 to 1479 inclusive of the Belgian Civil Code, or in accordance with similar regulations under foreign law.

- De facto cohabiting affiliate:
  An affiliate, who does not come under the definition of married affiliate and, based on proof issued by the local authorities, can demonstrate that he/she cohabits with a partner as a family (domiciled at the same address).

- Single affiliate:
  Affiliates who have no partner as set out above.

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

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

Benefit statement:
The pension slip as specified in the Supplementary Pensions Act.

BFIC:
Banking, Finance and Insurance Commission.

Branch 21 “group insurances”:
This is the branch of insurances in which the pension institution administers group insurance policies. The premiums and the reserves within this branch of insurance benefit from a guaranteed yield. The terms and conditions of this guaranteed yield may differ according to the group insurance product chosen.

Change date:
On this date the rights of active affiliates are adjusted for administrative purposes, depending on one of the following situations:
- change in family situation (where this alters the rights under this pension commitment,
- change in the rate of employment (part-time employment contract, part-time time credit and other part-time social-related leave),
- suspension of the employment contract:
    - following the taking of full-time time credit or other full-time social-related leave,
    - following incapacity for work with loss of salary,
- part-time early retirement,
- suspension of the employment contract with loss of salary.

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

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, *and*
- is entitled to child benefit by virtue of the affiliate or the partner, provided that he/she is under the age of 25.

Effective date:
On this date the pension scheme is taken out for the first time.

Employee:
The person employed under an employment contract.

Employer's contribution:
- The payment by the employer as set out in this pension commitment, which is maintained in a separate individual employer account for each affiliate, known as the employer's contribution agreement.
- The payment by the employer into the financing fund of the pension commitment.

Employer's contribution agreement:
The agreement which is financed by the employer’s contributions.

Individual pension commitment:
An occasional, non systematic pension commitment for one employee and/or his rightful claimants. In case the special terms and conditions provide that the pension commitment is an individual pension commitment, the words "group insurance", "pension rules", "pension scheme" and "financing fund" in the general terms and conditions shall respectively be understood to be "individual pension commitment insurance", "pension agreement", "individual pension commitment" and "technical provisions".

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 will run over the period between the last annual adjustment date and the day when the rules are cancelled.

Joint fund:
The pension institutions established on the basis of the Royal Decree of 14 November 2003 concerning fringe benefits granted to employees as referred to in RD no. 50 of 24th October 1967 concerning retirement and survival pensions for employees and to the persons referred to in article 32, first indent, 1° and 2° of the income tax code 1992, employed outside a contract of employment and any subsequent change replacing and/or complementing the mandatory provisions of the RD.

Level annual premiums:
The amounts required annually 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 a constant lump sum.

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

Modification date:
On this date the pension scheme is modified.

Organiser:
- The employer who subscribes a pension commitment.
- The legal entity, equally composed, appointed via a collective labour agreement by the representative organisations of a joint committee or sub committee, established according to chapter III of the law of 5 December 1968 concerning collective labour agreements and joint committees that effects a pension scheme.

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 Commitment:
The agreement for a supplementary retirement and/or survival pension, retirement lump sum and/or lump sum death benefit, granted by an organiser to one or more employees and/or their rightful claimants.

Pension institution:
VIVIUM, a brand of P&V Insurances sc/cv, insurance company authorised under code 0058.

Pension rules:
The rules laying down the rights and obligations of the organiser, the employer, the affiliates and their rightful claimants, the conditions for affiliation and the rules for the execution of the pension scheme.

The general and special terms and conditions of the pension commitment, the general terms and conditions of the reception structure and the benefit statement together form the pension rules. The special terms and conditions and any schedules and annexes 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 schedules and annexes take precedence over the general terms and conditions. The pension institution reserves the right to settle all issues not expressly provided for by these special terms and conditions in accordance with the general terms and conditions.

Pension scheme:
The group pension commitment.

Personal contribution:
The compulsory payment by the affiliate under the pension commitment which is maintained in a separate individual employee account for each affiliate, known as the personal contribution agreement. The personal contribution is deducted by the organiser from the affiliate's salary in the same number of instalments as salary payments are made.

Personal contribution agreement:
The agreement which is financed by personal contributions.

Premiums:
The employer's and/or personal contributions. They may include the risk premiums and the single premiums.

Risk premiums:
The amounts payable 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.

Royal Decree Life:
The Royal Decree of 14 November 2003 on life insurance and any subsequent amendments which replace and/or supplement the binding provisions of this Royal Decree.

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 end date of the financing.

Supplementary Pensions Act:
The Act of 28 April 2003 on additional pensions and the system of taxation of these pensions and of some supplementary social security benefits and any subsequent amendments which replace and/or supplement the binding provisions of this Act.

2. OPERATING PRINCIPLES

Article 2 Object of the pension scheme

The object of the pension scheme is, subject to payment of the premiums by the organiser, the guarantee of payment to the affiliate or to the beneficiary of the benefits, as specified in the special terms and conditions.

Article 3 Obligation of result of the pension institution

In order to finance the pension commitment, the organiser has taken out a group insurance policy with the pension institution. The pension institution enters into an obligation of result since it undertakes , with regard to the premiums paid to it, to provide the benefits corresponding to the rate applicable to the pension commitment.

The rate is set when the pension commitment is subscribed. However - as far as insurance with flexible premiums is concerned - no rate is guaranteed for future premiums. In this case, the rate applicable on the day of payment is applied.

Article 4 Bases of the employer's contribution agreement and the personal contribution agreement

The pension scheme is subject to the laws and regulations applicable to life insurance. The employer’s contribution agreement and the personal contribution agreement are drawn up on the basis of the information provided in all sincerity and without concealment by the organiser and the affiliate, to inform the pension institution about the risks it is incurring. The pension institution may require any information it deems necessary, subject to the legislation in force.

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.

Fraud, deliberate concealment(s) and/or deliberately inaccurate declaration(s) result in the employer contribution agreement(s) and/or the personal contribution agreement(s) being null and void.

In the case of inaccuracy regarding the date of birth and sex of the affiliate and/or the beneficiary if the pension commitment provides for an additional transferable pension annuity, the benefits will be adjusted taking account of the correct data.

The affiliate shall immediately inform the organiser of any changes in his/her family situation or marital status which may give rise to an adjustment of the insured benefits or the beneficiary designation in case of death. The pension institution is entitled to demand documentary evidence of such changes. The affiliate is fully responsible for the completeness and accuracy of the information provided by him/her.

Article 5 Start and termination of the affiliation

Affiliation commences at the earliest on the effective date (when the pension scheme is taken out) or modification date (in case of later modifications of the pension scheme).

For the affiliates affiliated on the effective date of the pension scheme the insurance takes effect after the first premium payment.

For later affiliations or adjustments, the personal and/or the employer's contribution agreement takes effect on the effective date or the modification date respectively stipulated in the special terms and conditions.

The administrative affiliation occurs on the first of the month coinciding with or following the date on which the employee satisfies the imposed conditions. The death cover takes effect from the date on which the conditions for affiliation are met.

An employee aged 25 or more is immediately included in the pension commitment if he/she belongs to the category of employees concerned.

Affiliation is compulsory for employees taken on by the organiser after the effective or modification date, provided that they belong to the specified category of employees and satisfy the specified conditions for affiliation.

If an employee's employment contract is suspended at such time as he satisfies the conditions for affiliation, his affiliation is postponed until the first of the month coinciding with or following the date of partial or full resumption of work.

The affiliation is terminated on:

- the first of the month coinciding with or following the date on which the affiliate no longer satisfies the definition of affiliate and/or 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 date on which the affiliate leaves the employment of the organiser prior to the maturity date and his acquired reserves are withdrawn from the pension commitment;
- the maturity date, i.e. the first of the month following the affiliate's birthday as stipulated in the special terms and conditions;
- the date on which the affiliate dies if prior to the maturity date.

Article 6 Postponement of the maturity date

Postponement means that the maturity date is deferred by one year at a time (year of postponement) if the affiliate is still employed by the organiser on this date. This maturity date may be deferred annually for up to five years after the policy's original maturity date and until not later than the affiliate's 65th birthday.

The affiliate is not permitted to defer by one year the maturity date or a maturity date that has already been deferred if, on the date the year of postponement commences:

- he is completely unfit for work, or
- his employment contract is suspended at that time, or
- the affiliate does not work owing to social measures.

If the affiliate is partially unfit for work on reaching the maturity date or the deferred maturity date, the postponement only relates to his rights in respect of part-time employment.

Article 7 Due date and payment of the premiums and taxes

The premiums are due on the date specified in the special terms and conditions.

Premiums fall due for each affiliate:

- with effect from administrative 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 premium due date:

- when amending rights or items used for the calculation, the due date for new premiums takes effect on the annual adjustment or change date;
- premiums are no longer payable from the first of the month coinciding with or following termination of affiliation;
- if the affiliate reaches the maturity date, the premium due date is cancelled on this date;
- if the affiliate dies, premiums are no longer payable from the moment specified in the special terms and conditions;

Taxes due are payable in addition to the premiums by the organiser to the pension institution from when the contributions are due.

Payments are made by the organiser to any of the bank or giro accounts of the pension institution or to the persons charged with collecting such amounts, though only against receipts issued by the pension institution.

Article 8 Payment procedures if the affiliate is still alive on the maturity date

<u>If the special terms and conditions provide for the payment of a retirement lump sum</u>:

The retirement lump sum is payable if the affiliate is still alive on the maturity date and, if necessary, is supplemented by the organiser up to the amounts guaranteed under the applicable legislation.

The pension institution pays this lump sum directly to the affiliate within 30 days after receiving the countersigned receipt and the documents required by the pension institution.

The pension institution is entitled to demand proof that the beneficiary is alive prior to payment and is entitled to keep the aforementioned documents as its property.

<u>If the special terms and conditions provide for the payment of a pension annuity</u>:

The pension annuity is payable from the maturity date if the affiliate is still alive on that date. If necessary, this pension annuity is increased if the organiser is required to supplement the affiliate’s acquired reserves on the basis of applicable legislation.

The pension institution pays the pension annuity directly to the affiliate. The affiliate becomes an annuitant from the payment of the annuity.

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

If provided for, upon the death of the annuitant, the annuity is paid to the partner in accordance with the stipulations of 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 the maturity date or the earlier date of termination of affiliation is not entitled to claim this annuity.

The pension institution prepares an annuity certificate and is entitled to demand proof that the beneficiary is alive and an attestation of the partner’s capacity if the annuity is transferable to the partner.

The affiliate is entitled to request the payment of the lump sum equivalent of the pension annuity on the maturity date if this option is provided for in the special terms and conditions. The pension institution pays this lump sum directly to the affiliate within 30 days after receiving the countersigned receipt and the documents required 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 annuity transferred.

The pension institution is entitled to keep the aforementioned documents as its property.

In case of payment of a lump sum as well as in case of an annuity, delays in the payment of amounts due by the pension institution, either because these amounts are not claimed, or because the documents are not complete or not in order, or in general due to circumstances beyond the pension institution's will, no interests will be paid.

Article 9 Payment procedures if the affiliate dies prior to the maturity date

<u>If the special terms and conditions provide for the payment of a lump sum death benefit</u>:

The lump sum death benefit is payable on the date of the affiliate's death prior to the maturity date and is paid direct to the beneficiary.

The pension institution pays this lump sum directly to the beneficiary within 30 days after receiving the countersigned receipt and the documents required by the pension institution.

The pension institution is entitled to demand proof that the beneficiary is alive prior to payment and is entitled to keep the aforementioned documents as its property.

The beneficiary upon the death of the affiliate is determined in the following order of priority:

- the partner;
- in the absence thereof, descendant in the first degree of the affiliate or, by substitution, their descendants;
- in the absence thereof, the ascendants in the first degree of the affiliate;
- in the absence thereof, the legal heirs of the affiliate, with the exclusion of the State;
- in the absence thereof, the "financing fund" of this pension commitment.

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

The affiliate may, following notification to the pension institution, deviate from the above order of priority or designate a beneficiary by name, which is recorded in the benefit statement. If the deviation concerns a designation other than the person to whom the affiliate is married or the descendants in the first degree of the affiliate, then the notification must be confirmed in writing and be signed by the person to whom the affiliate is married.

If more than one beneficiary is designated, they each receive the benefits due under the beneficiary clause, which is recorded in the benefit statement. However, regardless of whether the partner and the descendants in the first degree are designated by name as joint beneficiaries, half of the benefits due go to the partner, while the other half is divided equally among the descendants in the first degree. If the descendants in the first degree are not designated by name as the beneficiaries, the benefits go to those persons qualifying as such when the benefits are due. Descendants in the direct line of a predeceased descendant in the first degree accrue the benefits by substitution.

In accordance with the above-mentioned provisions, the affiliate has the right to designate one or more beneficiaries. Proof of the beneficiary’s right is given in accordance with article 10 of the

Belgian Insurance Act. The payment made to the beneficiary in good faith prior to the reception of any document changing the designation, relieves the pension institution of all obligations.

<u>If the special terms and conditions provide for the payment of a survivor's pension</u>:

If the affiliate dies prior to the maturity date, the lump sum equivalent of the survivor's pension is converted to a survivor's pension based on the following calculation items:

- 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 death of the affiliate. The pension institution pays this annuity directly to the partner partner in accordance with the stipulations of the special terms and conditions. The first payment is made within 30 days after receipt of the required documents. The pension institution is entitled to request new documentary evidence at any time. In that case the above procedure will again be applied.

The partner becomes an annuitant with effect from payment of the annuity. The pension institution prepares an annuity certificate and is entitled to demand proof that the surviving partner is alive and an attestation of the partner's capacity.

The partner is entitled to request the payment of the lump sum equivalent of the survivor's pension at the time the first survivor's pension is payable. The pension institution pays this lump sum directly to the partner within 30 days after receiving the countersigned receipt and the documents required by the pension institution. By withdrawing the lump sum, the partner waives the right to the survivor's pension.

The pension institution is entitled to keep the aforementioned documents as its property.

<u>If the special terms and conditions provide for the payment of an orphan's annuity</u>:

If the affiliate dies prior to the maturity date, the lump sum equivalent of the orphan's annuity is converted into an orphan's annuity based on the following calculation items:

- the parameters according to the basic rates;
- the age at expiry of the orphan's annuity;
- the frequency of the annuity payment;
- the sex and age of the child on the date of payment.

The orphan's annuity is payable to each child from the date of the affiliate's death. The pension institution pays this annuity directly to each child in monthly instalments in arrears up to and including the period specified in the special terms and conditions. The first payment is made within 30 days after receipt of the required documents. The pension institution is entitled to request new documentary evidence at any time. In that case the above procedure will again be applied.

The child becomes an annuitant with effect from payment of the annuity. This annuity cannot be converted into a lump sum payment. The pension institution prepares an annuity certificate and is entitled to demand proof that the child is alive and an attestation of the child's capacity prior to payment.

The pension institution is entitled to keep the aforementioned documents as its property.
In case of payment of a lump sum as well as in case of an annuity, delays in the payment of amounts due by the pension institution, either because these amounts are not claimed, or because the documents are not complete or not in order, or in general due to circumstances beyond the pension institution's will, no interests will be paid.

Article 10 Acceptance of beneficiary designation

Each beneficiary may accept the benefit subject to the agreement of the organiser. Acceptance occurs in writing with the signature of the beneficiary, the organiser, the affiliate and the pension institution.

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

Insofar as the acceptance of the benefit results in it not being possible to apply the provisions concerning the benefit in the special terms and conditions, the provisions in the special terms and conditions remain without effect.

Article 11 Profit sharing

The pension commitments share in the profit, free of charge, in the categories of insurance contracts, made according to the rules established by the pension institution and reported to the BFIC.

The profit sharing plan is made available to the public at the pension institution's branch where the pension commitment was concluded.

The employer's and personal contribution agreements share in the profits made by the pension institution in the branch 21 “group insurances”.

The pension institution allocates profit sharing from the "death" component to term life insurance, made by the institute in respect of the branch 21 “group insurances”.

The pension institution allocates "financing fund" profits to the reserves in the financing fund, made by the institute in respect of the branch 21 “group insurances”.

If the pension commitment is cancelled in the context of a transfer of the reserves to another pension institution, no profit share is granted during the period of cancellation.

Article 12 Acquired benefits and acquired reserves

Acquired benefits are those the affiliate can claim on the maturity date, provided that his reserves remain in this pension commitment and are not transferred to a reception structure, another pension institution, a mutual fund, or have not been surrendered.

<u>If the pension commitment is a “defined contribution” plan</u>:

The acquired benefits are obtained by capitalising, using the basic rates, the reserves in the employer's and personal contribution agreements in line with the insurance scheme and the age of the affiliate on the annual adjustment or change date.

The acquired reserves are those to which the affiliate is entitled at a specific time under the pension commitment. The acquired reserves are equal to the amount at that time in the employer's and personal contribution agreements of the affiliate.

If the pension commitment is a “defined benefit” plan:

The acquired benefits are equal to the time-weighted retirement lump sum or lump sum equivalent of the pension annuity, calculated on the basis of items applicable on the last annual adjustment date or subsequent change date.

The acquired benefits may in no circumstances be less than the capitalised value on the maturity date of the acquired mathematical reserves under the employer's and personal contribution agreements, where the capitalisation occurs in line with the basic rates.

The acquired reserves are the actual value of the acquired benefits and are calculated in this connection in accordance with the statutory provisions. If the special terms and conditions lay down a special rule for calculating the acquired benefits or reserves, and this rule gives a higher result than the statutory provisions specified for this, the special rule takes priority.

Stipulations irrespective of the type of pension commitment:

The reserves (including the profit sharing reserves) calculated by means of employer's contributions are only acquired by the affiliate after he has been affiliated to the pension commitment for one year. If the affiliate leaves the scheme before the end of the first year of his affiliation, the reserves in the employer's contribution agreement are paid into the financing fund of this pension commitment. For the determination of term of affiliation, the actual date of affiliation and the actual date of termination of affiliation will be taken into account. The administrative processing will not be taken into account, in accordance with the principle of the 1st of the month following the event. If this pension commitment replaces a previous one, the original date of affiliation is taken into consideration.

The reserves (including the profit sharing reserves) accumulated by means of personal contributions are acquired immediately by the affiliate.

If the affiliate opts to transfer acquired reserves accumulated while working for a previous employer to the new employer, i.e. the organiser of this pension commitment, then these transferred reserves may never be placed under the employer's and/or the personal contribution agreements, but are always accommodated in the reception structure associated with this pension commitment.

Article 13 Termination of affiliation

Termination of affiliation is either the termination of the employment contract between the affiliate and the organiser other than as a result of death or the maturity date being reached, or the transfer of an employee within the scope of a transfer of an enterprise, an establishment or a part of an enterprise or establishment, to another enterprise or establishment, as a result of a conventional transfer or a merger, in which the pension scheme of the employee is not transferred.

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 will inform the organiser of the following details by means of the termination letter within not more than 30 days of being notified of the termination of affiliation:

- the amount of the acquired reserves, if necessary, supplemented up to the amounts guaranteed by the applicable legislation;
- the amount of the acquired benefits;
- the various options on termination of affiliation, indicating whether or not the death cover is maintained.

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

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

At the time of termination of affiliation, the affiliate will not incur a penalty or lose any profits, and nothing will be deducted from the acquired reserves.

The organiser is obliged to make up any shortfalls in the acquired reserves on termination of affiliation. For tax reasons, any supplemented amount will always be deemed to be an employer's contribution.

On termination of the affiliate’s employment, the acquired reserves set out in the previous paragraph will, if necessary, be supplemented by the organiser up to the amounts guaranteed by the applicable legislation. Any supplemented amount will be paid by the organiser into the financing fund of this pension commitment if there are insufficient funds or the funds available are required to cover other commitments of the organiser. Any shortfall in the guaranteed amounts will only be made up under the employer's contribution agreement at such time as the passive affiliate notifies his decision that he wishes to transfer his acquired reserves to a reception structure outside this pension commitment or to another pension institution.

On termination of affiliation, the affiliate has the following options regarding the acquired reserves, if necessary, supplemented up to the amounts guaranteed by the applicable legislation:

- leaving them with this pension institution without changing the pension commitment;
- placing them in the reception structure linked to these pension rules;
- transfer them to the pension institution of the new employer with which he has signed an employment contract if he is affiliated to the pension commitment of this employer;
- transfer them to a pension institution that distributes the total profit among the affiliates in proportion to their reserves and keeps costs to a minimum, in accordance with the rules established by Royal Decree.

The affiliate must inform the pension institution of his choice in writing within 30 days of the organiser notifying the termination of affiliation. The pension institution will implement the affiliates’s choice within 30 days of receiving notification thereof. If the affiliate fails to respond within this deadline, he will be presumed to have opted for leaving his acquired reserves with the pension institution without amending the pension commitment.

Transfers will be limited to the portion of the acquired reserves that have not been advanced or pledged or allocated to reconstitute a mortgage loan.

Transfer of the acquired reserves may only be implemented upon receipt of the written consent of any accepting beneficiary(ies) and/or person(s) to whom the rights under the pension commitment have been ceded. No transfer is permitted in the event of seizure.

The term life insurance policies financed in the pension commitment with risk premiums remain intact until the first of the month coinciding with or following the date on which the affiliate notified his choice on termination of affiliation, until not later than the 90th day following termination of affiliation.

On termination of affiliation the affiliate is entitled to continue paying the premiums in full or in part by means of voluntary personal contributions under the "personal agreement". This is an individual agreement concluded by the affiliate on the basis of optional premiums, in accordance with the general terms and conditions. This personal agreement is not included in the organiser's pension commitment.

The pension institution may require medical formalities if permitted by the applicable legislation if, in the event of personal continuation of the policies or maintenance of the acquired reserves in the form of premium-free insurance in accordance with one of the above-mentioned options, there is a resulting increase in the death benefit insurances.

Article 14 Early settlement

The affiliate is entitled to receive payment of his acquired reserves at the maturity date.

Early settlement is when the affiliate takes the pension reserves prior to the maturity date.

Early settlement is possible at the earliest from the affiliate’s 60th birthday, provided that employment with the employer has been terminated at that time.

The benefit to be paid out early is determined by the theoretical surrender value of the employer's and the personal contribution agreements. The theoretical surrender value is applied in full in the case of settlement in the form of an annuity or in the form of a lump sum, provided that the affiliate has given the pension institution at least six months' notice of his intention to have an early settlement.

Article 15 Right to convert a capital into an annuity for employees

If the pension commitment provides for the payment of a lump sum on the maturity date, the affiliate (or the beneficiary if the affiliate dies before the maturity date) is entitled to apply to the organiser for conversion into an annuity if the annuity at the start of payment is larger than EUR 500.00 per year. The amount of EUR 500.00 is indexed according to the provisions of the Supplementary Pensions Act.

If the annuity at the request of the affiliate is established by direct conversion of the lump sum payment provided for in the commitment, the amount of the annuity will be determined on the basis of the insured capital and the method of calculation laid down by the laws and regulations applicable to supplementary pensions. The pension institution is entitled to pay a temporary annuity, according to the duration and terms and conditions laid down in the technical dossier.

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 Royal Decree Life.

The pension institution will 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 of designating a joint fund responsible for payment of the annuity.

Article 16 Determination of rights and/or personal contributions of active affiliates who are not full-time employed

<u>Affiliates with an employment contract for part-time work</u>:

a) rights and/or personal contributions determined according to the "defined contribution" principle:

- 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;

- lump-sum rights and/or lump-sum personal contributions are proportionally converted in function of the level of employment.

b) rights determined according to the "defined benefit" principle.

- for salary-related rights the calculation is made on the basis of the salary corresponding to full-time work. If the rights depend on the number of pension 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 pension years. The sum of full-time and converted part-time years and months of service are limited to the maximum number of pension years that can be considered. If the rights do not depend on the number of pension years, they will be proportionally converted in function of the level of employment.

- for lump-sum rights that depend on the number of pension 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 pension years The sum of full-time and converted part-time years and months of service are limited to the maximum number of pension years that can be considered. Lump-sum rights that do not depend on the number of pension years are proportionally converted in function of the level of employment.

<u>Taking time credit and other types of social leave</u>:

For all types of:

- time credit;
- parental leave;
- leave to care for a seriously ill family member;
- leave for palliative care, or
- any other statutory form of social leave where provision is made that, for the purposes of Belgian social security, these periods are equated with periods of full-time work,

the rights and/or personal contributions are determined as follows:

- for the first three months, counted from the change date, the rights and/or personal contribution are further treated as if the affiliate's level of employment had remained unchanged;
- as from the fourth month, counted as from the change date, the following provisions apply:
    - in case of taking full-time time credit or full-time social leave: no more premiums are due, term life insurance policies are cancelled and the employer's contribution agreement and personal contribution agreement are reduced.
      On resumption of work, from the first of the month coinciding with or following the date of resumption of work, the premiums are again due and the rights and/or personal contributions are calculated according to the affiliate's level of employment, in which periods of full-time work suspension are equal to a level of employment 0.

- in case of taking part-time time credit or part-time social leave: the rights and/or personal contributions are determined according to the procedure described under "affiliates with an employment contract for part-time work ".

Affiliates over 50 taking half-time early retirement or part-time time credit:

Contrary to the provisions described above, for affiliates who takes half-time early retirement and for affiliates over 50 years of age who take part-time time credit, for the entire period of half-time early retirement pension or part-time time credit, the rights and/or the personal contributions are not reduced according to the level of employment, but continue to be defined as if the affiliate's level of employment had remained unchanged, based on his/her salary in the month preceding the taking of time credit or early retirement.

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 premiums for the pension commitment, the following provisions apply

- in case of partial incapacity for work:

  For an employee who is partially unable to work on the day he complies with the conditions for affiliation and for an affiliate who becomes partially unable to work, the rights and/or personal contribution are defined as of the affiliation date, or the change date, in accordance with the procedure described under "affiliate with an employment contract for part-time work".

- in case of complete incapacity for work:

  For an employee who is completely unable to work on the day that he complies with the conditions for affiliation, the affiliation is postponed until after he resumes work. For an affiliate who becomes fully unable to work, premiums are no longer due, the term life insurance is terminated and the employer's contribution agreement and the personal contribution agreement are reduced, as from the change date.

On resumption of work, from the first of the month coinciding with or following the date of resumption of work, the premiums are again due and the rights and/or personal contributions are calculated according to the level of employment of the affiliate, in accordance with the procedure described under "affiliates with an employment contract for part-time work". 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 accident is shorter than 30 days, the procedure described above will not be applied, and the rights and/or personal contributions will 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 collective insurance waiver premiums for the pension commitment, the following provisions apply:

- in case of partial incapacity for work:

  An employee who is partially unable to work on the day he complies with the conditions for affiliation and who was not yet affiliated to the waiver of payment of premiums guarantee, cannot invoke the waiver of payment of premiums guarantee for the part of the rights related to his partial incapacity for work. As of the affiliation date his rights and/or personal contributions are defined according to the procedure described under "affiliates with an employment contract for part-time work ".

  For an affiliate who becomes partially unable to work and who was affiliated to the waiver of payment of premiums guarantee previous to the incapacity for work, the rights and/or personal contributions are defined, as soon as the waiting period expires as provided in the waiver of payment of premiums rules, in accordance with the procedure described under "affiliates with an employment contract for part-time work". Premiums related to the part-time incapacity for work are no longer due as soon as the waiting period specified in the waiver of payment of premiums rules lapses. The part of the rights related to the partial incapacity for work is from then on maintained by the pension institution on the basis of the provisions of the waiver of payment of premiums rules. Until the waiting period expires, as specified in the waiver of payment of premiums rules, the rights and/or personal contributions will continue to be calculated according to the rate of employment applicable when the incapacity for work occurs.

- in case of complete incapacity for work:

  For an employee who is fully unable to work on the day that he complies with the conditions for affiliation and who is not yet affiliated to the waiver of payment of premiums guarantee, the affiliation is postponed until he resumes work. This employee cannot invoke the waiver of payment of premiums guarantee.

  For an affiliate who becomes fully unable to work and who was affiliated to the waiver of payment of premiums guarantee previous to the incapacity for work, premiums are no longer due as soon as the waiting period specified in the waiver of payment of premiums rules expires. As of that moment the rights are maintained by the pension institution on the basis of the provisions of the waiver of payment of premiums rules.

When work is resumed the premiums immediately fall due again. The rights and/or personal contributions are calculated in accordance with 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 pension years, the period of incapacity for work is also considered to determine the pension years in proportion to the rate of employment at the time when the incapacity for work starts. However, this does not apply for periods for which no waiver of payment of premiums can be invoked.

If the period of incapacity for work due to illness or accident is shorter than 30 days, the procedure described above will not be applied, and the rights and/or personal contributions will continue to be defined as if the affiliate's level of employment had remained unchanged.

<u>Suspension of the affiliate's employment contract with loss of salary</u>:

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

- taking time credit or another form of social leave; or
- incapacity for work due to illness or accident;

premiums are no longer due, term life insurance policies are terminated and the employer's contribution agreement and personal contribution agreement are reduced as of the change date.

After the suspension the premiums are again due as of the first month coinciding with or following the date the suspension is lifted. The rights are calculated in accordance with 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 pension years, the suspension period is considered for the definition of the pension years in proportion to the rate of employment applicable during that period. For a full suspension a 0 percentage is applied.

If the suspension of the employment contract is shorter than 30 days, the procedure described above will not be applied, and the rights and/or personal contributions will 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 premiums and the suspension of the employment contract is a result of pregnancy or childbirth as legally provided in the social security system, the procedures above do not apply. In that case the provisions for "Incapacity for work of the affiliate due to illness or accident" (item b) apply.

Article 17 Voluntary personal contributions

Every affiliate can voluntarily make personal deposits to increase the rights of the insurance taken out on his life.

These voluntary personal contributions are used in an individual insurance combination offered by the pension institution on the basis of constant annual or monthly premiums at the rate of the branch 21 "individual life insurance" applicable at that time for new agreements.

If these voluntary personal deposits entail an increase of the insured rights at the time of death, the pension institution can link the acceptance of such increase to the favourable outcome of a(n) (additional) medical examination at its expenses, to be performed on the affiliate at the time when the increase is requested and insofar as the applicable laws permit so.

The individual account to which the voluntary deposits are allocated is called "personal agreement".

The voluntary personal deposits are paid by the affiliate to the pension institution.

In case the affiliate leaves the company, he can partially or entirely continue the personal agreement or stop the payment of premiums and remain insured for the paid-up value for the insurance operations that allow so. In this case every request for a change of this personal agreement shall be submitted directly to the pension institution. To this end the pension institution will issue a document stating the insured benefits financed by the voluntary personal deposits. These insured benefits are not included in the benefit statement.

The personal agreement shares in the "life profit sharing" granted by the pension institution to the branch 21 "individual life insurance" if the conditions are complied with.

Article 18 Advances and pledging

Advance payments on benefits and pledging of pension rights to secure a loan are authorised only to place the affiliate in a position to acquire, build, improve, repair or convert immovable property within the territory of the European Economic Space (EES) which yields taxable income.

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

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

- the affiliate signs an advance payment deed;
- the affiliate agrees to the interests to be paid in advance which are calculated by the pension institution on the basis of the applicable interest rate at the time the advance is granted;
- 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 death cover is cancelled.

Advances 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 granted. However, the advance to be withdrawn can never amount to more than the insured net (lump-sum equivalent) death benefit. Calculated advances below EUR 2,500 will not be granted.

If an advance payment is granted, 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 19 Communication

The pension institution provides affiliates who put their acquired reserves in the pension commitment, except for the annuitants, an annual benefit statement including the following data:

- the amount of the acquired reserves, if necessary supplemented up to the amounts guaranteed by the applicable legislation;
- the amount of the acquired benefits and the date on which they are payable;
- the variable elements taken into account when the acquired reserves and the acquired benefits are calculated;
- the amount of the acquired reserves of the previous insurance year;
- the message that the text of these rules can be obtained from the organiser on simple request.

The pension institution informs all affiliates as of the age of 45 at least every five years of the annuity to be expected at retirement. Based on the following hypotheses:

- <u>for active employees</u>:
  - the deposits are continued;
  - for the defined benefit commitments the promised benefits are taken into account;
  - for the defined contribution commitments the acquired reserves and the contributions to be deposited are capitalised at the maximum reference rate for long-term insurance transactions set in the implementing decrees of the law of 9 July 1975, minus 0.5%.

- <u>for former employees</u>:
  - for the defined benefit commitments, if the affiliate decided to leave the acquired reserves, where appropriate complemented up to the amounts guaranteed by the return guarantee as specified in article 24 of the Supplementary Pensions Act, in the pension commitment, the reduced benefits are taken into account;
  - for defined contribution commitments the acquired reserves are capitalised at the maximum reference rate for long-term insurance transactions as specified in the implementing decrees of the law of 9 July 1975, minus 0.5%.

Two months before retirement or within two weeks after the organiser was informed of the early retirement, the organiser will inform the affiliate about the right to convert a capital in an annuity. In case the affiliate dies, the organiser informs the beneficiary of this right within two weeks after the organiser was informed of the decease.

The pension institution prepares an annual report about the administration of the pension commitment as required by the applicable laws and makes this report available to the organiser, who informs affiliates upon simple request.

Article 20 Change or cancellation of the pension commitment

The pension institution cannot make any limiting amendment to the pension rules unilaterally.

If the pension institution wishes to change the general terms and conditions, it will propose to the organiser, by registered mail, 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 will remain applicable. In case the organiser accepts the change, he will hand a copy of the changed general terms and conditions to each of the affiliates.

The organiser is entitled to terminate the agreement with the pension institution within a term of 30 days after the effective date. In this case the pension institution pays back the paid premiums, minus the amounts used to cover the risk.

The organiser may amend or cancel the pension commitment, subject to respecting the provisions laid down in the Supplementary Pensions Act, if they are applicable in relation to the affiliates. Under no circumstances, however, may there be any breach of the insured benefits accumulated by the premiums already paid by the organiser to the pension institution up to the time of the amendment or still to be paid up to that time.

Moreover, although the premium payment in the relationship between organiser and pension institution is not compulsory, the reduction or cancellation of the pension commitment, on the basis of these pension rules and subject to any other social legislation, by the organiser in relation to the affiliates at that time is only possible if one or more of the circumstances described below arises:

- on introduction of new, or amendment or further development of the existing legislation, jurisdiction, supervisory authority directives and/or other measures or actual conditions which were to bring about, directly or indirectly, an increase in the cost price of the pension commitment;
- if the social security legislation to which this pension commitment forms a supplement were to undergo radical amendments;
- if economic developments internal or external to the company were to cause the maintenance of the pension commitment (in its unchanged form) no longer to be in accordance with sound business management.

If the organiser announces the decision of amendment or cancellation to the pension institution, the organiser confirms that it meets the above-mentioned conditions.

The increase in the rights is subject to the conditions in force at the time of the adjustment, including in the field of underwriting. If the requested adjustment gives rise to a reduction in the benefits insured at the time of the amendment by the premiums already paid, the organiser must present the written agreement of any accepting beneficiary.

The organiser hands over the text of the amendments made to the pension rules to each affiliate in work. Subject to the agreement of the pension institution and provided the provisions laid down in the applicable legislation are respected, the organiser may amend the pension commitment. Under no circumstances may this amendment result in a reduction of the benefits already acquired by the affiliates at the time of the amendment.

Before the pension institution proceeds to amend the pension commitment, the organiser must confirm in writing to the pension institution that all procedures laid down by law on the amendment of a pension scheme applicable to this pension commitment have been complied with.

The organiser may terminate the pension commitment subject to respect of the provisions laid down in the applicable law. Under no circumstances may this termination result in the benefits and reserves already acquired by the affiliates being reduced at the time of termination, except for the benefits covered by risk insurance. In this case the temporary insurance policies on the basis of annually renewable risk premium are terminated.

Before the pension institution proceeds to terminate the pension commitment, the organiser must confirm in writing to the pension institution that all procedures prescribed by law on the termination of a pension scheme applicable to this pension commitment have been complied with.

If the pension commitment is ended by dissolution or liquidation of the organiser, without its commitments being taken over by another organiser, the individual accounts will be transferred in full ownership to the affiliates.

In case of amendments or termination of the pension commitment the affiliates are entitled to continue the contribution payments to maintain their insurance themselves in accordance with the provisions in the general terms and conditions.

The application to amend or terminate the pension commitment is made by dated and signed letter.

The reduced value is calculated on the renewal date of the first unpaid contribution. If all contributions were paid at the time the organiser announces its intention in writing no longer to pay future contributions or to proceed to surrender, the reduction has effect on the next contribution renewal date, unless a later date is indicated and subject to continuation of the payment of contribution.

Article 21 Financing fund

Together with the pension commitment, a financing fund is set up which 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.

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

The organiser may make final payments into this fund with a view to financing the future charges deriving from the insurance transactions as provided for in these pension rules.

In addition to the above-mentioned payments, the fund receives the amounts allocated to it in application of the pension rules.

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-à-vis the pension institution. In this 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 to the reception structure or to another pension institution when the affiliate leaves the company, any deficits which have to be financed according to the applicable laws at that time, will be withdrawn from the financing fund. If the reserves in the financing fund become overdrawn due to this transaction, the organiser will immediately settle such negative balance.

In the case of definitive discontinuation of the pension scheme, dissolution of the organiser, bankruptcy of the organiser and similar procedures or in the case of redundancies as referred to in the Act of 28 June 1966 on the compensation of employees made redundant on closure of undertakings and the Royal Decree of 29 August 1985 on the definition of undertakings in difficulties or which are experiencing exceptionally unfavourable economic conditions, referred to in Article 39a of the Act of 3 July 1978 on employment contracts, the assets of the financing fund are transferred to a social fund of the organiser, which is managed in accordance with Article 15, h, of the Act of 20 September 1948 organising economic activity, unless other allocation conditions are agreed by collective agreement.

The amount of the assets in the financing fund, transferred pursuant to the previous paragraph to a social fund of the organiser or used for another purpose on the basis of a collective agreement, is at most equal to the amount of the assets which exceed the acquired reserves, where appropriate increased to the amounts guaranteed by virtue of Article 24 of the Supplementary Pensions Act, and is limited in proportion to the acquired reserves, where appropriate increased to the amounts guaranteed by virtue of Article 24 of the Supplementary Pensions Act, of the employees concerned.

Article 22 Underfinancing of the pension scheme

If the financing of the reserves is insufficient or in the case of insufficiency of the repayments to make good the underfinancing deriving from the entry into force of the Royal Decree Life, the pension institution warns the organiser as soon as the insufficiency is established.

If sufficient financing fails to materialise within a period of 6 months from the above-mentioned notification, or in all cases where the pension scheme is abolished, the pension commitment is reduced.

In these cases, the non-personalised reserves are transferred to the individual agreements insofar as this was not already the case.

The distribution of the non-personalised reserves takes place for each affiliate in proportion to the difference between his/her fully acquired reserves, where appropriate supplemented to the amount guaranteed pursuant to the minimum yield specified by the Supplementary Pensions Act, and the reserves of his/her individual personal contribution and employer’s contribution agreements, to the sum of these differences for all affiliates.

Article 23 Reception structure

Together with the group insurance agreement, the organiser subscribes to a reception structure at the pension institution, the rates of which have been submitted by the pension institution under the product name “reception structure” to the BFIC and which is intended to receive additional pension reserves.

The affiliate can, as long as his employment is not terminated, transfer reserves coming from another pension commitment. The reserves which the affiliate transfers from another pension commitment are compulsorily lodged in the reception structure and can never be lodged in the pension commitment associated with this reception structure.

The reserves which the affiliate of this pension commitment has acquired at the time of termination of affiliation may be lodged in this reception structure, at the option of the affiliate.

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

The reception structure provides the transferring affiliate with the following options:

- an insurance in case of retirement or death before retirement in the form of pure endowment 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 at the BFIC under the product name "reception structure"; or
- an endowment insurance with a 10/25 ratio between the death benefit and the retirement lump sum insurance combination in accordance with the endowment insurance basic rates filed at the BFIC under the product name "reception structure". The pension institution can subject the affiliation to this insurance combination to medical underwriting as described in the general terms and conditions of the reception structure.

If the transferring affiliate has not notified a choice at the time of his transfer (or awaiting his choice), the transferred reserves will be lodged in the pure endowment with reimbursement of the reserves combination.

Once a year the transferring affiliate has the chance to request the conversion of his transferred reserves, free of charge, to another insurance combination of which the rating principles are submitted to the BFIC under the product name "reception structure" and this for the amount of the theoretical surrender value. In such cases the surrender value will only be transferred for the amount of the death benefit. The balance of the theoretical surrender value will be used to insure, on inventory basis, retirement benefits payable during life governed by the same conditions as the benefits during life of the originally chosen insurance combination. If the transferring affiliate requests a conversion of his transferred reserves during one and the same calendar year, the pension institution will charge the costs mentioned in the tariff.

If the affiliate transfers his 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 scheme within which the reserves were accumulated, end.

If the affiliate of the pension commitment chooses, at the time of termination of affiliation, for the transfer of his acquired reserves to the reception structure, the acquired reserves will, 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 reserves which are transferred to the reception structure are immediately acquired by the transferring affiliate, in accordance with the rules applicable within the chosen product combination.

The general terms and conditions of the reception structure form an integral part of these pension rules.

Only the provisions described in the reception structure's terms and conditions are applicable to the reception structure and the provisions described in these pension rules (general and special terms and conditions) are not applicable unless expressly stipulated to the contrary.

3. SURRENDER - NON-PAYMENT OF PREMIUMS - REINSTATEMENT

Article 24 Definitions

Current inventory value:
The current value at a certain time calculated in function of the inventory base, i.e. the whole of inventory supplements, the technical interest rate and the occurrence laws which determine the rate or the composition of the reserves.

Surrender of the pension commitment:
Cancellation of the pension commitment.

Termination of the pension scheme by the organiser:
Cancellation of the pension scheme by the organiser.

Reduction of the pension commitment:
The reduction of the current value of the insured benefits when the payment of contributions is discontinued.

Reduction value:
The benefit that remains insured when the payment of contributions is stopped. If the reduction also entails the termination of the insured benefits in case of death, the current inventory value can be calculated on the basis of the mortality tables for transactions during life.

Theoretical surrender value:
The difference between the current inventory value of the pension institution's commitments and the current value of the reduction premiums related to the future renewal dates. This difference is increased with the non-used part of the supplements. The technical bases used for the calculation of this theoretical surrender value are the same as used for the calculation of the premium.

Article 25 Surrender by the organiser

Subject to respect of the applicable legislation, the organiser may decide to transfer the theoretical surrender values to another authorised pension institution. Before the pension institution proceeds to make such a transfer, the organiser must prove that all applicable procedures provided for by law are complied with.

In case of transfer the pension institution will ask for a liquidation fee pursuant to 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 accumulated 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 trend in the reserves accumulated by the pension commitment and in the financing fund of this pension commitment;
- all other justified transfer costs;
- any rules laid down by the rules or another agreement.

This liquidation fee is calculated as follows:

- If the theoretical surrender values to be transferred are greater than EUR 1,250,000.00[1], a liquidation fee is charged which is the sum of the following components:

  - Lump-sum fee:
    The lump-sum fee amounts to 5% of the theoretical surrender value.

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

  - Financial fee = theoretical surrender value x FV
    The latent capital losses on the investment portfolio are determined on the basis of the yield of 10-year straight bonds.
    The financial fee can never be negative and is expressed as a percentage of the pension reserves.

    FV = (5 - 2u)(i1 - i2)

    in which
    - FV = 0 if i1 < or = i2
    - FV = 0 if u > or = 2.5

    with:
    - u = duration in years and months between the time of the announcement of surrender and the actual payment of (or desire to pay) the surrender value;
    - i1 = the (10-year) straight bond yield at the time of the announcement of surrender. The pension institution reserves the right, if no straight bond market exists any more, to take the yield of an equivalent euro investment;
    - i 2 = the average (10-year) straight bond yield over the past 5 years, at the time of the announcement of surrender.

  In the event of transfer of the reserves of the financing fund, the pension institution also charges a liquidation fee which is calculated in the same way and according to the same terms and conditions, except that no administrative fee is applied.

- If the theoretical surrender values to be transferred are less than or equal to EUR 1,250,000.00[1], a liquidation fee is charged per affiliate equal to the maximum of:

  - EUR 75.00[1]
  - the minimum of 5% of the theoretical surrender value and 1% of the theoretical surrender value multiplied by the duration of the agreement expressed in years still to run up to the maturity date of the pension commitment.

  In the event of transfer of the theoretical surrender values, no fee at all or loss of profit-sharing may be charged to the affiliates or be drawn from the acquired reserves at the time of the transfer.

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

[1] This amount is indexed in function of the health index (basis 1988 = 100). The index figure to be taken into account is that of the second month of the quarter preceding the date of surrender.

Article 26 Surrender by the affiliate

There is no right to surrender for the pension commitments in which insured benefits are agreed exclusively at retirement. As long as the affiliate has not terminated employment, the right to surrender cannot be exercised, except in the cases specified by the rules and only to the advantage of the affiliate.

Any surrender other than those authorised by law as a result of termination of affiliation or as a result of drawing advances, pledging and the reinstatement of a mortgage, are not authorised.

The surrender value is settled to the amount of the insured death benefits. Any balance of the theoretical surrender value is used to form retirement benefits based on the inventory basis, payable on the same due dates and under the same conditions as the retirement benefits of the original transaction.

Unless otherwise provided for by law, the reserves of the employer's and the personal contribution agreements can be surrendered by the affiliate from the time he/she reaches the age of 60.

In the case of surrender before reaching the age of 60, a surrender fee is payable equal to 1% of the theoretical surrender value multiplied by the duration of the agreement still to run up to the maturity date, expressed in full years. The surrender fee thus calculated may not exceed 5% of the theoretical surrender value, but must always be at least EUR 75.00. [2]

For pension commitments governed by Article 61, §1 of the Supplementary Pensions Act, the right of surrender originates as soon as the theoretical surrender value is positive, up to 31 December 2009. The surrender value is restricted to the insured benefits in case of death and amounts to:

- 95% of the theoretical surrender value;
- from the 9th to the 6th insurance year preceding the maturity date, it amounts in succession to 96, 97, 98 and 99% of the theoretical surrender value; and
- during the last 5 insurance years preceding the maturity date, the surrender value is equal to 100% of the theoretical surrender value.

The application for surrender is made by dated and signed letter by the affiliate.

The date of the application is taken into consideration to calculate the surrender value. The surrender has effect on the date on which the receipt of surrender, signed for agreement, arrives at the pension institution.

To obtain the surrender value, the beneficiary must provide the pension institution with a certificate of life and a copy of his/her identity card.

[2] This amount is indexed in function of the health index (basis 1988 = 100). The index figure to be taken into account is that of the second month of the quarter preceding the date of surrender.

Article 27 Non-payment of premiums

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

Non-payment of the premiums results in the reduction of the personal and the employer's contribution agreements or the severance of them if the theoretical surrender value is negative on the renewal date of the first unpaid premium. This also results in the termination of the term life insurance.

The notification of default may be sent by registered letter 30 days at the earliest after the renewal date of the unpaid premiums.

If the premiums are no longer paid and except for written declaration by the organiser that it is ceasing premium payment, the premiums will be drawn from the financing fund after the first reminder.

If payment arrears of 1 month are established and the organiser has not sent any written notification of cessation of (the premium payment for) the pension scheme to the pension institution, the latter sends a notification of default by registered letter to the organiser. This states that the risk covers have ceased and that if payment arrears of 3 months are established and the organiser has not sent any written notification of cessation of (the premium payment for) the pension scheme to the pension institution, the pension institution must inform all the affiliates in work of this without delay.

When the financing fund is exhausted and unless the organiser has submitted the aforementioned declarations, the same rules as for "non-payment of premiums" will apply.

Unless the organiser submitted the aforementioned declarations, in which case he immediately informs all working affiliates thereof, the pension institution will inform every affiliate at the latest 3 months after the first unpaid renewal date (where appropriate, when the financing fund is exhausted) about the non-payment of the premium by ordinary letter sent by post.

As of that time the respective personal contribution agreement and the employer's contribution agreement are assigned paid-up status for all rights. They will remain governed by the pension rules and further share in the profit of the branch 21 “group insurances”.

In the case of reduction of the pension commitment, in the event of a reduction in the premiums still to fall due, a reduction fee is charged. This may not exceed:

- at the time of the reduction, a lump sum of EUR 75.00[3];
- subsequently, on each renewal date of the premium originally provided for, a fee which corresponds to the reduction in the portion of the supplements that covers the general management of the agreements and which is limited to 5 per mille of the reduction of the reduced premium. This fee is considered as an inventory supplement.

If the reduction also entails the termination of the covers in case of death, the inventory value will be calculated on the basis of the mortality tables for transactions during life.

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

Article 28 Reinstatement

[3] This amount is indexed in function of the health index (basis 1988 = 100). The index figure to be taken into account is that of the second month of the quarter preceding the date of the reduction.

A pension commitment cancelled, reduced or surrendered pursuant to the article on the non-payment of premiums may be reinstated for a period of 3 months for the cancelled or surrendered pension commitment and for a period of 3 years for the reduced pension commitment. The reinstatement may be made subject to medical acceptance in accordance with the conditions valid at that time.

Without prejudice to any other commitments deriving from the pension rules or from legal provisions, the reinstatement occurs under the original conditions if the application is made within 3 months of the cancellation or the surrender and within 3 years after the reduction and subject to the premiums in arrears being paid beforehand. If the pension commitment was surrendered, the full surrender value must also be repaid.

Without prejudice to any other commitments deriving from the pension rules or from legal provisions, the reduced pension commitment is reinstated after the above-mentioned period of 3 months without payment of the arrears but in that case on the basis of a new contribution, calculated on the basis of the age of the affiliate at that time and taking account of the theoretical surrender value at the time of the reinstatement of the pension commitment.

The reinstatement starts after notification to the organiser by the pension institution.

4. SCOPE OF GUARANTEE IN CASE OF DEATH

Article 29 Geographical scope

The death risk applies worldwide, subject to the provisions of the other articles under chapter 4.

Article 30 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 31 Aviation

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

- which the affiliate knew or could have known had no flying licence for the transport of persons or goods;
- of an air force with is not intended for passenger transport;
- that transports products with strategic characteristics in areas where hostilities are in progress or rebellion prevails;
- which is preparing for or participating in a sports competition;
- which is carrying out test flights;
- of the ultra light motorised type.

Article 32 Revolt

No cover is granted if the death is the direct and immediate consequence of revolt, civil riots, all collective acts of violence of a political, ideological or social nature, whether or not accompanied by rebellion against the government or any established power whatsoever, if the affiliate has participated in this voluntarily and actively.

Article 33 War

No cover is granted 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 34 Benefits in case of non-covered death

For the non-covered cases, specified in articles 29 through 32, the pension institution pays the theoretical surrender value, calculated on the day of the death and restricted to the capital insured at the time 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. The insured benefits are then, contrary to the previous paragraph, not confined to the theoretical surrender value, but accrue in full to the co-beneficiary(ies), or in their absence, to the subsidiary beneficiary(ies) in the order stated in the special terms and conditions, and in their absence, to the heirs of the affiliate.

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

Article 35 Reporting a claim

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 intervention by the loss it has incurred, unless evidence is supplied that the accident report was submitted as soon as reasonably possible.

The report must be made using the form intended for this purpose and must be accompanied by all original documents, certificates and reports which can demonstrate the existence of the claim.

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

If one of these obligations is not met, the pension institution may reduce its intervention by the loss it has incurred.

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

Article 36 Medical underwriting

The pension institution retains 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 underwriting policy, will impose a medical examination, carried out at its expense. This policy may be applicable in the following cases, among others:

- on affiliation;
- on increasing the insured benefits in case of decease or on reinstating the commitment;
- on voluntary personal contributions;
- on early settlement of the benefits on retirement;
- in the event of postponement if 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 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.

5. NOTIFICATIONS - JURISDICTION

Article 37 Notification

The organiser makes sure that all affiliates can enjoy 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.

Each written notification by one party to another is considered to be made on the posting date and takes place validly at their last mutually communicated address. 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.

Article 38 Jurisdiction

The pension commitment is subject to the laws and regulations applicable in Belgium to life and supplementary insurance in general and to group insurance in particular. If the organiser is established outside Belgium, then, if authorised, the parties expressly opt for the application of Belgian law.

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. One of the consequences of the application of this Act is that the organiser is bound, on termination of affiliation of an employee, to make good any shortfalls in the reserve. Where appropriate, the organiser is invited to do so by the pension institution.

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 39 Applicable system of taxation

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

Any granting of tax concessions on the premiums 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 death duties, 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.

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 annuity

- of the benefits insured under this pension commitment
- of the statutory retirement pension,
- of the other extra-legal benefits of a similar nature to which the affiliate will 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 registered 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 allowance 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.

The organiser reserves the right to limit the use of the premium budget to constitute pension reserves if the above-mentioned tax limit is exceeded.

Article 40 Privacy protection

The data relating to the affiliate are entered in files kept to be able to draw up, manage and implement the insurance agreements.

Pursuant to the Act of 8 December 1992 on the protection of privacy concerning the processing of personal details and any later amendments which replace and/or supplement the binding provisions of this Act, the affiliate may inspect his personal details and have them corrected if necessary.

P&V Insurances sc/cv is responsible for the processing.

Article 41 Good faith, reasonableness and fairness

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.