



# Our approach to Avoiding conflict of Interest

## INTRODUCTION

Ageas<sup>1</sup> wants to maintain an impeccable reputation for trustworthiness and integrity.

Ageas is subject to certain duties relating to governance, confidentiality, management of conflicts of interest, insider dealing, market integrity, customer and investor protection.

The policy focuses on conflicts of interest and reflects the mind-set and attitude expected from all Ageas employees. It also lists the instructions and processes to follow for the prevention, detection, resolution and reporting of conflicts of interest.

Preventing conflicts of interest (Col) is part of the sound and qualitative governance of the insurance and reinsurance undertaking and contributes to the effective management of the undertaking. It is governed by a set of legal and regulatory provisions.

The undertaking puts in place procedures to deal with (potential) conflicts of interest and the concept of “Col-handling” encompasses prevention, capture, settling, follow-up and reporting of conflicts of interest.

This policy states the principles governing Col-handling and describes the main related policies and the required processes and controls to be respectively established.

This document has to be read concomitantly with these related policies, which are mentioned in reference to the corresponding areas and processes.

## DEFINITION

"A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest." <sup>2</sup>

From Ageas’s point of view, the primary interest pertains to the objective of the company, such as the interests of customers, stakeholders, personnel, sales intermediaries, whereas the secondary interest refers to personal or professional benefit or (monetary) advantages, favoring certain persons for personal reasons, exercising (undue) influence on decisions, to name a few.

A conflict of interest (Col) is any situation with competing interests, compromising the ethical realization of the legitimate purposes of Ageas and/or its stakeholders, or any appearance of such situation.

A fully exhaustive inventory on every potential or perceived conflicting situation cannot possibly be set up and could in any case never replace the importance of personal integrity and the constant duty of vigilance (see Integrity Policy). Consequently, this policy focuses on the major Col-handling related obligations and presents the minimum set of rules and standards.

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1 “Ageas” designates the conglomerate of companies forming a group of which ageas SA/NV is the top holding. It encompasses the mother company, all its subsidiaries and affiliates. Subsidiary means an entity in which ageas SA/NV, directly or indirectly, has a majority shareholding and holds operational control, and Affiliate means any entity in which ageas SA/NV, directly or indirectly, has a minority shareholding and holds no operational control.

2 Lo and Field (2009). The definition originally appeared in Thompson (1993). Published on Wikipedia.

## SCOPE

The policy applies to ageas SA/NV and its Subsidiaries, and on a best effort basis in the Affiliates.

In case of discrepancy or deviation from the principles set out in the policy, it must be notified to the Group Director Compliance.

The policy is applicable to all Ageas employees, agents and contractors working for or on behalf of Ageas.

## OBJECTIVE

The policy sets out the principles and standards governing Col-handling, forming the minimum set applicable to Ageas group-wide. Actions and decisions have to be filtered through these principles and standards.

### *For the purpose of this policy,*

“Employee” means any person working for Ageas, whatever the type of employment relationship is (employed or self-employed) and includes the Persons Discharging Managerial Responsibilities (PDMR, i.e. member of the Board, Executive Committee, Management or similar body) and the members of the respective Boards of Directors.

Col-handling covers efficient prevention, identification, assessment, management, solving, follow-up and internal reporting processes regarding conflicts of interest.

## CORPORATE GOVERNANCE

The general governance structure of Ageas is configured so as to avoid or at least circumvent the risk of intra-group conflicts of interest: the links and interactions between the various entities of the group, holding companies, subsidiaries and affiliates; allocation and segregation of activities; processes, roles and responsibilities; reporting lines, decision making processes, controls.

These underlying governance principles apply mutatis mutandis to any organisational structure of the Ageas group.

Each entity has a process in place to control the intra-group transactions to which they are a party. At group level, intra-group transactions are controlled by the Finance Department (Consolidation and Tax).

The actual management of each entity of the group (Board and Executive Committee) is responsible for the registration in the UBO-Register<sup>3</sup>, if and where applicable.

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3 UBO-Register: Register of the Ultimate Beneficial Owners, as established by the 4th and 5th Anti-money laundering Directive (see AML/CTF Policy).

## POLICY FRAMEWORK

The dimension of prevention and handling of conflicts of interest is omnipresent in all the policies as a conflict of interest may arise in any component of the organisation structure and functioning. Col-prevention and handling is however of particular emphasis in the Code of Conduct and policies related to e.g. personal transactions, anti-bribery and corruption, complaints handling, incident reporting (Compliance Internal Alert System), treating customers fairly, product approval, claims management, outsourcing and anti-money laundering and combatting terrorism financing Policy.

## EXTERNAL MANDATES OR FUNCTIONS

Ageas Employees are expected to perform their tasks and responsibilities with full dedication and commitment. Outside activities may not be detrimental to their responsibilities towards Ageas and may not involve a risk of reputational or financial damage to Ageas and/or stakeholders.

Ageas employees refrain in any case from taking on additional functions or mandates – remunerated or not - outside Ageas without prior approval of the company. There is a formal process to ask approval from the company.

Knowing that the appreciation of the fact of accepting an additional function or mandate (as it may damage the interests or reputation of Ageas) is initially the responsibility of the employee himself, it is his accountability to make an assessment of the possible risks.

In any case, employees have 1. to inform (i) the Group Director Compliance and (ii) their hierarchy of their intention to start an additional function or mandate outside of Ageas as well as their intention to have a financial participation in a trading company, and 2. to ask for their approval.

Newcomers: a new employee has to make an Initial Notification about the already pursued external activities or mandates within the 30 days after having started his employment at Ageas.

Besides external mandates or functions and financial participations in trading company, all employees have to declare their memberships in professional and/or trade associations. Each entity establishes and communicates the process of declaration.

An inventory of all memberships at entity level is maintained by a designated manager and all inventories are sent to ageas SA/NV, to the Group General Counsel, who is the top responsible manager for holding a consolidated inventory of memberships. The relevant process is communicated by the Group General Counsel to all entities. This inventory is a mean of control primarily in the context of the prevention of anti-trust measures but has it full importance in the prevention of Col.

## POLICY GOVERNANCE

This Policy is owned by Group Compliance.

The ultimate responsibility of the prevention, solving and reporting of Conflicts of Interest lies with the Board of Directors.

At the level of each entity, a Register of all (recognised) conflict of interests is set up and contains a description of the circumstances of each conflict of interest and of how it was settled, with the motivation thereof. A manager is



designated by the Executive Committee to bear the responsibility of setting up and maintaining such a Register. Each entity also set ups a List of Potential Conflicts of Interest and a process to maintain such list.

