



Ageas Corporate Center Purchase Guidelines

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1 INTRODUCTION

1.1 OBJECTIVE

The objective of this policy is to set out the rules, processes and governance (who does what, who is responsible for what) regarding purchasing at the Ageas Corporate Center (Brussels).

It highlights the basic principles to be respected by each department when implementing a professional procurement process. It also has as objective to ensure that all necessary parties in Ageas Corporate Center are involved in the purchasing process.

It is one of the three policies at Corporate Center that define the approach for purchasing, together with the Contract Registration Policy and with the Outsourcing Policy.

1.2 SCOPE

This policy applies to ageas SA/NV. The scope covers any type of purchasing, including buying, renting, leasing, goods & services.

2 PRINCIPLES

2.1 COMPLIANCE WITH INTERNAL REGULATIONS

2.1.1 AGEAS OUTSOURCING POLICY

The Ageas Outsourcing Policy is not only a response to national and European regulators who have focused increasing attention on the governance of outsourcing within corporations but also reflects the determination of Ageas to set common standards. Outsourcing indeed creates additional risks for the company, its clients or the stability of the financial system, if not properly addressed.

As always, management is responsible and accountable for adequate control of their business processes whether outsourced or not. Part of this control is a proper (continuous) risk assessment, adequate measures and monitoring. The Outsourcing Policy gives additional guidance. In applying the guidance, specific elements (such as materiality, external versus intra-group outsourcing, local legal requirements) should also be taken into consideration.

The Ageas Outsourcing Policy defines a series of criteria to determine whether a purchase/procurement falls in its scope. If the answer is yes, the Outsourcing Policy needs to be fully respected, and the contract needs to be compliant to the Policy.

The Contract Owner must always check if the Ageas Outsourcing Policy applies to a particular contract prior to purchase. In doubt to be discussed with Compliance or Legal.



2.1.2 ESG – ENVIRONMENTAL, SOCIAL, GOVERNANCE

At Ageas, corporate sustainability means conducting business in a responsible manner; achieving sustainable economic growth while anticipating the legitimate interests of our stakeholders, and taking social and environmental responsibility. Ageas has signed up to the Principles of Sustainable Insurance and UN Global Compact.

Ageas’s Code of Conduct, supports Ageas’s integrity and aims to safeguard its reputation as a reliable business partner that lives up to its core values towards all its stakeholders.

Ageas expects vendors and their supply chain to adhere to these principles as well, and specifically:

<p>Health & Safety</p>	<p>Vendors must provide goods & services that meet agreed or legally required standards for consumer health and safety, including those relating to health warnings and safety information.</p> <p>Vendors are expected to take all required health & safety measures (e.g. ISO45001) that are considered necessary based on experience, that can be applied based on the latest technological standards and that are appropriate given the circumstances prevailing within their company in order to protect the health of their employees.</p>
<p>Ban on discrimination</p>	<p>Vendors must provide equal opportunities for everyone in employment - free from prejudice and discrimination on the grounds of gender, gender reassignment, sexual orientation, disability (which can include both physical & hidden, and mental health conditions), pregnancy and maternity, marital status, creed, colour, race, ethnic origin, nationality, social-economic backgrounds, religion & belief, age, union status or political opinion.</p>
<p>Human Rights & Labour policy</p>	<p>Vendors must respect all internationally proclaimed human rights and to be guided in the conduct of business by the provisions of the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) core labour standards, including but not limited to:</p> <ul style="list-style-type: none"> ▪ employees’ freedom of association with regard to working conditions and their right to join trade unions, form works councils and conduct work-related negotiations, including pay scale negotiations. ▪ the right of collective bargaining. ▪ zero tolerance for modern slavery, child labour, forced labour. ▪ providing wages, benefits and conditions of work, that represent just and fair remuneration with transparent payment terms within the framework of government policies and in compliance with the standards of the ILO. These wages, benefits and conditions should reflect the economic position of the vendor, but must also be sufficient to satisfy the basic needs of workers and their families. Vendors are expected to provide all workers with written and understandable information about their terms and conditions of employment, including payment.



<p>Human Rights & Labour policy</p>	<p>Working hours should not be excessive and should comply with all applicable laws and industry standards and employees should have access to fair working conditions.</p> <p>Vendors must inform Ageas as soon as they become aware of a breach or possible breach of human rights within their companies or supply chains. Vendors must be committed to remediating any potential rights violations should they occur.</p>
<p>Environment</p>	<p>Vendors must meet statutory requirements and any valid industry standards/guidelines regarding environmental standards and sustainability in full.</p> <p>Care must be taken to protect the environment. This includes applying the 5 R's: Refuse, Reduce, Reuse, Repurpose, Recycle.</p> <p>Goods that are particularly environmentally friendly or originate from environmentally certified manufacturers (e.g. ISO14000) are given priority over others if their product features and conditions are otherwise comparable.</p>

The Contract Owner on Ageas side must ask the vendor to confirm compliance to these points, and needs to take the response of the vendor into account in the vendor selection criteria (where must is mentioned, this means a mandatory requirement).

2.1.3 AGEAS INFORMATION SECURITY POLICY

Information is a key asset representing a great value to Ageas, therefore should be adequately protected since it is constantly exposed to many risks including security risk and non-compliance with regulatory and legal requirements.

Information Security is defined as the process of protecting information assets from accidental or intentional breaches of:

- Information asset Confidentiality: ensuring that only authorised persons have access to information assets;
- Information asset Integrity: safeguarding the accuracy and completeness of information and information processing methods;
- Information asset Availability: ensuring that authorised persons have access when required to information assets;
- Information asset Traceability: ensuring that changes or events associated with information assets are properly recorded when required.

The Contract Owner must always do a Business Risk Assessment for the purchase prior to purchase.

2.1.4 AGEAS PERSONAL DATA MANAGEMENT LIMITS AND MINIMUM STANDARDS

Personal Data Management provides a framework based on EU GDPR which describes requirements needed to protect natural persons with regard to the processing of personal data and to the free movement of such data.



2.1.5 AGEAS COMPLIANCE POLICY + FRAUD LMS UNDER THE OPERATIONAL RISK POLICY

The Ageas Compliance Policy aims at stimulating, monitoring and controlling the compliance of laws, regulations, internal rules and policies – including the Ageas Principles of Business Conduct – and ethical standards that are relevant to the integrity and, hence, to the reputation of Ageas.

Also the Fraud LMS under the Operational Risk Policy needs to be applied.

Ageas has zero tolerance to fraud, hereby defined as a misconduct or abuse, using deception as principal modus operandi, for enrichment or benefit of the perpetrator, or Ageas, or of a third party.

Gifts, hospitality and other inducements

Ageas prohibits the offer or receipt of gifts, entertainment or expenses whenever such arrangement could affect the outcome of business transactions and are not reasonable and bona fide expenditures (see Anti-bribery Policy).

2.1.6 INTRA-GROUP DEALINGS

Intra-group dealings are to be conducted as if occurring between independent parties in an open market situation (at arms' length conditions). Intra-group contracts are to be constructed as normal Supplier/Customer contracts, describing rights and obligations in the same detail. Contracts for acquisition of goods and services between Ageas companies are handled by Legal, with the support of Tax, in the first place.

2.2 AUTHORISATION/SIGNATURE POWER

See 0 3.1 Roles & responsibilities.

2.3 TERMS AND CONDITIONS

2.3.1 THE CONTRACT SHOULD CONTAIN AN EXPLICIT START DATE

2.3.2 DURATION

Contract duration depends on the specifics of the contract, and can be limited (1, 2, 3 years, or more) or unlimited. Contracts include a termination clause describing the possibility of premature termination of the agreement if one of the parties has repeatedly not or not fully performed its obligations under the contract. Tacit renewal is allowed. The length of the renewal period should always be mentioned.

2.3.3 FRAMEWORK AGREEMENTS

Framework Agreements should have an indefinite duration with the possibility to be terminated at any moment upon a reasonable written notice, which should be appropriate considering the specifics of the Framework Agreement. Conditions of a Framework Agreement must remain valid until the last Sub-Agreement closed under the Framework Agreement ends.

2.3.4 IT ACQUISITIONS -> GROUP CLAUSES

The Group terms & conditions for IT Acquisitions should be used to include clauses that make it possible for controlled Ageas entities to become part of the contract.



2.4 PRICE

Our purchasing is based on commercial, ethical and ecological principles, as well as on the rules of free competition. Contracts must be awarded at fair market price.

For contracts with duration of < 1 year: no price adjustments and indexations allowed. Exception can be made for highly fluctuating markets.

For contracts with duration of > 1 year: indexations only allowed after the initial period (cf. Duration). The price index to be used is the index of the country where the contract is concluded.

2.5 INVOICING ARRANGEMENTS

For each contract, the invoicing intervals are to be determined to constitute a balance between

- The administrative workload associated with handling invoices (and credit notes);
- the volatility of the resources covered by the contract (ease of technical/inventory follow-up);
- The cost of money (short term interest rates).

Payment frequency should also be logical based on the type of delivery, in the provision of some services, there are stages, or it may be linked to content or the presence of a consultant, etc.

One of our main obligations is timely payment of the non-disputed part of supplier invoices. The contract should be construed in a way that facilitates such timely payment, while minimising the administrative burden of handling invoices.

Advance payments are not allowed.

It is imperative to use the correct invoicing address and to indicate the reference as requested by Corporate Accounting.

3 GOVERNANCE

3.1 ROLES & RESPONSIBILITIES

3.1.1 ROLES AND RESPONSIBILITIES

Function	Role
Corporate Accounting	<ul style="list-style-type: none"> Corporate Accounting determines and validates the invoicing arrangements. Checks whether invoice is made correctly (name, company address, VAT number, reference). Corporate Accounting registers the invoice, verifies approval and pays the invoice in due time.
Legal	<ul style="list-style-type: none"> Needs to be involved from the very beginning; Reviews the Contracts, Framework Agreements and Sub-Agreements according to the Legal Charter, including by distinguishing “low impact contracts” from others. Needs to inform CISO and DPO of data protection or privacy concerns; Provides required sign off (legal checklist) before signature of the contract
Compliance	<ul style="list-style-type: none"> Ensures monitoring of compliance with the policies and instructions and takes measures to reduce potential compliance risks; Ensures an adequate fraud investigation according set principles whenever required.
Information Security	<ul style="list-style-type: none"> Is involved in all purchases involving cloud solutions as well as in case where sensitive information is processed requiring appropriate security measures.
Data Protection	<ul style="list-style-type: none"> Is involved in all purchases where processing of personal data is taking place
IT Coordination	<ul style="list-style-type: none"> IT Coordination is leading for all IT acquisition choices.
CPO	<ul style="list-style-type: none"> Supports the buying process. Negotiates the best deal for Ageas.
Budget owner	<ul style="list-style-type: none"> Reviews and is accountable for the expense; Needs to make sure that an approved budget is available for the purchase. Takes the final decision, and is accountable for applying the policy.
Contract Owner	<ul style="list-style-type: none"> Leads the process; Executes the Business Risk Assessment (BRA); Involves all stakeholders as defined in the policy. Executes the checks based on the AML/CTF Policy and LMS. This contains also an explicit check of the banking details of the counterparty. Advises the budget owner on the decision to be taken, including the advice of each of the stakeholders. Manages the signature process. Uploads the signed contract and legal checklist into the Contracts Register. Follows-up on the execution of the contract, including the payment of the invoices.
Tax	<ul style="list-style-type: none"> Supports the Legal Department on intragroup transactions and upon request on tax related points.

3.1.2 POLICY MAINTENANCE, COMMITTEES & ESCALATION

The Group Technology - IT Coordination designs the Purchase Policy, and monitors its implementation. Stakeholders can raise issues or change requests to Group Technology – IT Coordination, to take these forward in the Policy maintenance. Group Technology – IT Coordination will report to the Business Risk Committee on the Purchase Policy. Stakeholders can escalate issues & discussions to the Business Risk Committee.

4 APPENDICES:

A.1 GLOSSARY AND REFERENCES

Term	Explanation
Budget Owner	He/She is accountable for the expense and takes the final decision after consultation of the stakeholders. This must be in line with the powers of signature, as defined for the Corporate Center. See also 3.1 3.1 Roles & responsibilities.
Contract Owner, also "Purchaser"	He/She is the head of department that is purchasing goods or services. He/She leads the process and is the Department liaison with Central Purchase Organisation (CPO), Legal and Compliance. See also 3.1 3.1 Roles & responsibilities.
Contract	A contract is a formal agreement between ageas SA/NV and a supplier by which the supplier undertakes to provide goods or services in exchange of a compensation (amount, hourly tariff rate, ...) agreed upon in advance.
CPO	Central Purchase Organisation. See elsewhere in policy how this is organized for the Corporate Center, as there is no specific CPO department.
RFI	This is a means to gather market information and to constitute a 'long list' of potential suppliers.
RFP	This is an invitation to the potential suppliers of the 'short list' requesting him to submit a bid. An RFP is a legal document and can lead to extra-contractual liabilities.
RFQ	This is an invitation to supplier requesting him to submit a price quotation for well-defined goods/services. Often used in cases where suppliers are qualified through a separate RFP process, and for which framework agreements exist.
RFx	This is a generic noun referring to a RFI, RFP or RFQ.
Framework Agreement	This is a set of contractual clauses providing the main legal and commercial principles governing underlying the agreement of the parties for the procurement of certain services or goods, which are (it is not optional, this is the way it works) supplemented by Sub-Agreements.
Sub-Agreement	<p>This is a contractual document supplementing a Framework Agreement (e.g. schedule, annex, statement of work or order form), covering practical modalities of the Framework Agreement (such as a specific order, further description of the services, service levels, KPIs, specific fees or invoicing principles, etc.).</p> <p>Framework and sub-agreements are indivisible and form a contract. For each logical unit of services or goods, a sub-agreement needs to be set-up.</p>



A.2 PURCHASING PRINCIPLES FOR LOCAL PROCUREMENT – GENERAL PRINCIPLES

- Build in sufficient function separation, and respect the internal delegation rules. And apply the 4 eye principle.
- Respect the Ageas applicable policies and codes of conduct in dealing with suppliers, and the Ageas compliance rules.
- A non-disclosure agreement (NDA) is needed for every contract negotiation. The contract owner is responsible to get NDAs (template from Legal) in place & signed.
- Every contract should internally be accompanied by the Legal checklist containing possibilities for checking and controlling the arrangements made and clauses to be inserted in every contract (e.g. information security, data protection, business continuity).
- The decision and signature powers need to be respected. They are defined in the Instruction note on decision powers and signature powers, and the Decision powers overview.
- A budgeted expense is not (yet) an authorised expense. A budget surplus cannot automatically be used to buy more of the same, or be used to buy other items.
- The acquisition effort (cost) should be in line with the importance (financial, risk) of the deal.
- Legal (including Tax) must be involved from the very beginning to monitor the legal and tax aspects and consequences starting from the offer to the finalising of the contract. The completed legal checklist has to be given to and validated by Legal, together with the draft contract, for legal sign-off.
- DPO must primarily be informed by the Contract Owner of data protection or privacy concerns, and this as soon as noticed. Other stakeholders (including Legal) must also flag such data protection or privacy concerns when noticing them to the DPO, if not already done by the Contract Owner.
- IT Coordination must be in the lead for all IT acquisition choices.
- The contract structure needs to be validated by Legal, and each of the stakeholders must make sure that all relevant paragraphs are in there: Information Security, Business Continuity, Data Processing Agreement, Outsourcing (where relevant).
- If the purchase requires a continuing service from the supplier, also a service level agreement must be put in place, to describe how maintenance will be done, what the procedure is in case of incidents (inc. escalation path), and which service follow-up reporting/meetings will be done. And the price that Ageas pays for these activities.