



Pension Agreement

General Terms and Conditions

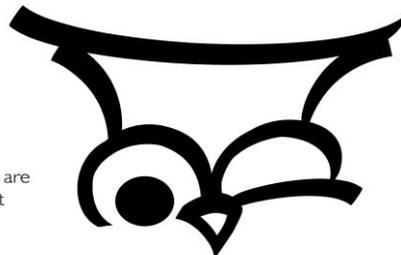
(This translation is provided as an aid for policyholders or insured who are English-speaking. In the event of any differences arising as to the meaning or interpretation of any part of the general conditions, only the original French/Dutch wording will be considered valid)

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. OPERATING PRINCIPLES

Article 1 Definitions

Beneficiary:

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

Benefit statement:

The pension slip as specified in the Supplementary Pensions Act.

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.

Individual pension agreement:

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

Pension provider:

- The employer who subscribes a pension agreement.
- 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.

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.

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 pension provider, the employer, the participants 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 agreement, the general terms and conditions of the reception structure and the benefit statement together form the pension rules.

Pension scheme:

The group pension agreement.

Pension Agreement:

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

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.

Branch 21 ('tak 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.

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.

Lump sum equivalent:

The underlying capital required to ensure the annuity payment.

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.

Employer's contribution agreement:

The agreement which is financed by the employer's contributions.

Employee:

The person employed under an employment contract.

Article 2 What is the object of the pension scheme?

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

Article 3 On which bases are the employer's contribution agreement and the personal contribution agreement for every participant drawn up?

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 pension provider and the participant, 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 agreement of a participant 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 participant and/or the beneficiary if the pension agreement provides for an additional transferable pension annuity, the benefits will be adjusted taking account of the correct data.

Article 4 When does the insurance take effect?

For the participants 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 stipulated in the special terms and conditions.

Article 5 Payment of premiums

The premiums are paid in accordance with the provisions of the special terms and conditions. Payments are made 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 6 Right to convert a capital into an annuity for employees

If the pension agreement provides for the payment of a lump sum on the maturity date, the participant (or the beneficiary if the participant dies before the maturity date) is entitled to apply to the pension provider 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 is indexed according to the provisions of the Supplementary Pensions Act.

If the annuity at the request of the participant is established by direct conversion of the lump sum payment provided for in the agreement, 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 agreement 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 agreement, whilst the pension provider 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 pension provider 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 7 Determination of rights and/or personal contributions of active participants who are not full-time employed

Participants with an employment contract for part-time work:

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.

Taking time credit and other types of social leave:

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 participant'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 participant'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 "participants with an employment contract for part-time work".

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

Contrary to the provisions described above, for participants who takes half-time early retirement and for participants 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 participant'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 participant as a result of illness or accident:

a) for pension agreements that are not linked to rules of a collective insurance waiver of payment of premiums for the pension agreements, 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 a participant 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 "participant 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 a participant 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 participant, in accordance with the procedure described under "participants 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 participant's level of employment had remained unchanged.

b) for pension agreements that are linked to rules of collective insurance waiver of payment of premiums for the pension agreement, 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 " participants with an employment contract for part-time work ".

For a participant 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 "participants 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 a participant 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 participant's level of employment had remained unchanged.

Suspension of the participant's employment contract with loss of salary:

When the employment contract of a participant 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 participant's level of employment had remained unchanged.

If the pension agreement 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 participant due to illness or accident" (item b) apply.

Article 8 Voluntary personal contributions

Every participant 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 universal life "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 participant 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 participant to the pension institution.

In case the participant 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 universal life "individual life insurance" if the conditions are complied with.

Article 9 Advances and pledging

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

As a result of the tax legislation and the relevant directives issued by the Direct Taxation Authorities, advance payments on benefits and pledging of pension rights to secure a loan are authorised only to place the participant in a position to acquire, build, improve, repair or convert immovable property which yields taxable income in Belgium. Therefore, the provisions of the previous paragraph of this Article are not permitted and advance payments and pledges can only be drawn in accordance with the provisions under this paragraph. Moreover, 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 Belgium, 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 participant signs an advance payment deed;
- the participant 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 agreement is obtained.

Advance payments must be repaid as soon as these goods no longer form part of the assets of the participant 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 2,500.00 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 10 Communication

The pension institution provide participants who put their acquired reserves in the pension agreement, 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 pension provider on simple request.

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

- for active employees:
 - the deposits are continued;
 - for the defined benefit agreements the promised benefits are taken into account;
 - for the defined contribution agreements 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%.
- for former employees:
 - for the defined benefit agreements, if the participant 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 agreement, the reduced benefits are taken into account;
 - for defined contribution agreements 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 pension provider was informed of the early retirement, the pension provider will inform the participant about the right to convert a capital in an annuity. In case the participant dies, the pension provider informs the beneficiary of this right within two weeks after the pension provider was informed of the decease.

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

Article 11 Medical acceptance

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 acceptance 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 agreement;
- 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 participant 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.

Article 12 Participant's obligations

The participant shall immediately inform the pension provider 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 participant is fully responsible for the completeness and accuracy of the information provided by him.

Article 13 Acceptance of beneficiary designation

In accordance with the provisions of the special terms and conditions, the participant may designate a beneficiary.

Each beneficiary may accept the benefit subject to the agreement of the pension provider. Acceptance occurs in writing with the signature of the beneficiary, the pension provider, the participant 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 14 Payment of benefits

The benefits are paid in the form of a capital after the beneficiary(ies) submitted the countersigned receipt, together with the documents required by the pension institution, to the pension institution. Payments are made within 30 days after receiving the countersigned receipt and the documents required by the pension institution.

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

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

For 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 15 Change or cancellation of the pension agreement

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

The pension provider may amend or cancel the pension agreement, subject to respecting the provisions laid down in the Supplementary Pensions Act, if they are applicable in relation to the participants. Under no circumstances, however, may there be any breach of the insured benefits accumulated by the premiums already paid by the pension provider 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 pension provider and pension institution is not compulsory, the reduction or cancellation of the pension agreement, on the basis of these pension rules and subject to any other social legislation, by the pension provider in relation to the participants 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 agreement;
- if the social security legislation to which this pension agreement 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 agreement (in its unchanged form) no longer to be in accordance with sound business management.

If the pension provider announces the decision of amendment or cancellation to the pension institution, the pension provider 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 the acceptance.

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 pension provider must present the written agreement of any accepting beneficiary.

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

Before the pension institution proceeds to amend the pension agreement, the pension provider 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 agreement have been complied with.

The pension provider may terminate the pension agreement 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 participants 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 agreement, the pension provider 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 agreement have been complied with.

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

In case of amendments or termination of the pension agreement the participants 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 agreement 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 pension provider 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 16 Financing fund

Together with the pension agreement, 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 pension provider.

The pension provider 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 participant 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 pension provider will immediately settle such negative balance.

In the case of definitive discontinuation of the pension scheme, dissolution of the pension provider, bankruptcy of the pension provider 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 pension provider, 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 pension provider 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 17 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 pension provider 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 agreement 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 participant 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 participants.

2. SURRENDER - NON-PAYMENT OF PREMIUMS - REINSTATEMENT

Article 18 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 agreement:

Cancellation of the pension agreement.

Termination of the pension scheme by the pension provider:

Cancellation of the pension scheme by the pension provider.

Reduction of the pension agreement:

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 19 Surrender by the pension provider

Subject to respect of the applicable legislation, the pension provider may decide to transfer the theoretical surrender values to another authorised pension institution.

Before the pension institution proceeds to make such a transfer, the pension provider 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 agreement and in the financing fund of this pension agreement;
- 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 1,250,000¹, 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 45.00¹ per participant to a maximum of EUR 1,970.00¹.
 - 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 $i1 < \text{or} = i2$
- FV = 0 if $u > \text{or} = 2.5$

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;
- $i2$ = 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 1,250,000.00¹, a liquidation fee is charged per participant equal to the maximum of:
 - EUR 75.00¹
 - 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 agreement.

In the event of transfer of the theoretical surrender values, no fee at all or loss of profit-sharing may be charged to the participants 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 20 Surrender by the participant

There is no right to surrender for the pension agreements in which insured benefits are agreed exclusively at retirement. As long as the participant 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 participant.

Any surrender other than those authorised by law as a result of termination of employment 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 participant 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 agreements 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 participant.

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 21 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 pension provider 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 pension provider 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 pension provider. This states that the risk covers have ceased and that if payment arrears of 3 months are established and the pension provider 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 participants in work of this without delay.

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

Unless the pension provider submitted the aforementioned declarations, in which case he immediately informs all working participants thereof, the pension institution will inform every participant 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 universal life group insurance.

In the case of reduction of the pension agreement, 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 75³;
- 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.

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.

Article 22 Reinstatement

A pension agreement 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 agreement and for a period of 3 years for the reduced pension agreement. 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 agreement 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 agreement 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 participant at that time and taking account of the theoretical surrender value at the time of the reinstatement of the pension agreement.

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

3. RECEPTION STRUCTURE

Article 23 Reception structure

Together with the pension agreement, the pension provider 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 reserves which the participant transfers from another pension agreement are compulsorily lodged in the reception structure and can never be lodged in the pension agreement associated with this reception structure.

The reserves which the participant of this pension agreement has acquired at the time of termination of employment may be lodged in this reception structure, at the option of the participant.

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

The reception structure provides the transferring participant 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 Central Banking and Financing Commission 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 acceptance as described in the general terms and conditions of the reception structure.

If the transferring participant 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 participant 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 participant 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 participant 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 pension provider, deriving from the pension scheme within which the reserves were accumulated, end.

If the participant of the pension agreement chooses, at the time of leaving, for the transfer of his acquired reserves to the reception structure, the acquired reserves will, if necessary, be

supplemented by the pension provider up to the amounts guaranteed by the applicable legislation. This terminates the pension provider'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 participant, 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.

4. SCOPE OF GUARANTEE IN CASE OF DEATH

Article 24 Geographical scope

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

Article 25 Deliberate act

The death of the participant 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 participant.

Article 26 Aviation

The death of the participant 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 participant 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 participant 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 27 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 participant has participated in this voluntarily and actively.

Article 28 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 participant is staying abroad, cover is granted for the war risk on condition that the participant does not participate actively in the hostilities.

Article 29 Benefits in case of non-covered death

For the non-covered cases, specified in articles 25 through 28, 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 participant 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 participant.

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

Article 30 Reporting a claim

The death of the participant 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 accident.

The participants 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.

5. PROFIT SHARING

Article 31 Profit sharing

The pension agreements 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 Banking, Finance and Insurance Commission (BFIC).

If the pension agreement 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.

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

6. NOTIFICATIONS - JURISDICTION

Article 32 Notification

The pension provider makes sure that all participants can enjoy the advantages offered to them by the pension agreement in full by informing them correctly and giving them all useful documents. The pension provider 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 participant is considered to be done by means of the last benefit statement sent.

Article 33 Jurisdiction

The pension agreement 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 pension provider 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 participants 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 pension provider, the pension institution assumes that these conditions are met by participants with employee status. One of the consequences of the application of this Act is that the pension provider is bound, on termination of employment of an employee, to make good any shortfalls in the reserve. Where appropriate, the pension provider 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 34 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 pension provider applies.

Any granting of tax concessions on the premiums is determined by the tax laws of the country of residence of the pension provider and/or the participant. 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 pension provider can address the pension institution.

For the application of tax caps for the awarding of tax concessions on employer's and personal premiums in function of the amount of the pension reserves acquired by the participants on the maturity date, all the years of service worked by the participant at the pension provider's (and equated years) are taken into account, increased with the maximum of fiscally allowed years (and equated years) not worked at the company.

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

Article 35 Data protection

The data relating to the participant 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 participant may inspect his personal details and have them corrected if necessary.

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

Article 36 Good faith, reasonableness and fairness

The pension provider regulates the matters in its relationship with the participants 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.

7. SPECIAL EXPENSES

Article 37 Special expenses

The pension institution is entitled to charge costs for special expenses caused by the pension provider, the participant(s) and the beneficiary(ies).

This is only possible after prior notice by the pension institution to the parties involved.

8. GENERAL PROVISIONS

Article 38 General Provisions

The policyholder 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.

If the pension institution wishes to change the general terms and conditions, it will propose to the pension provider to apply the changed general terms and conditions as of a certain date. If the pension provider informs the pension institution in writing that he or she refuses this change, the previous general terms and conditions will remain applicable. In that case the pension provider will hand a copy of the changed general terms and conditions to each of the participants.