

Purpose

The purpose of this document is to provide you with key information regarding this investment product. It is not marketing material. This information is required by law to help you understand the nature, risks, costs, potential profit and loss of this product and to help you compare it with other products.

Product

Product name: KBC Hedging Options for your BestOf Share Option Plan

ISIN: not applicable

Developer: KBC Bank NV

Contact details: Your intermediary in the KBC office is the first point of contact for all your questions.

You can also ask your question via KBC Live: <https://www.kbc.com/en/about-us/contacts-and-head-office>

Competent authority: Financial Services and Markets Authority (FSMA)

Key information document production date: 08/11/2022

NB.: You are about to purchase a complex product which may be difficult to understand.

What type of product is this?

Type

The Hedging Options for your BestOf Share Option Plan are Share Options on an index with a ten-year term.

Objectives

Employers who start a BestOf Share Option Plan, write Share Options on shares of a fund and offer these Share Options to their employees free of charge with respect to diversification of the remuneration package.

The BestOf Share Options confer the right to purchase shares of the underlying fund at the Exercise Price during their ten-year term. The Share Options may also be terminated vis-à-vis the employer during the Exercise Period, after a lock-up period of one year from the Issue Date of the BestOf Share Option Plan.

By writing these BestOf Share Options, the employer assumes the obligation, upon exercise, to deliver the underlying shares at the Exercise Price and there is a risk that this may be lower than their market value and the employer thereby risks incurring capital losses. The employer can hedge this risk by purchasing Hedging Options from KBC Bank. These Hedging Options are written on an Index which shows numerous similarities with the fund on which the BestOf Share Options have been written; however, the two underlying assets are not identical.

The value of the Hedging Options primarily depends on the underlying asset. The underlying asset offers no guaranteed return and can fluctuate significantly in value. In addition, both an increase in and a decrease of the underlying asset may entail leverage. The value of the underlying asset therefore increases/declines more relative to and depending on increases/declines in the value of the Hedging Options.

The value of the Hedging Options is also affected by other parameters, such as market volatility, movements in interest rates, dividends, and the term and Exercise Price of the Hedging Options.

The Hedging Options cannot be exercised. They can, however, be terminated during the exercise period vis-à-vis KBC Bank.

If the Hedging Options are not terminated before their maturity date, they will be automatically exercised in cash on maturity.

Termination is subject to the fee determined by KBC Bank NV acting as the counterparty.

The offer does not constitute a public offering within the meaning of the Prospectus Legislation.

The BestOf Share Option and the Hedging Option incorporate a guaranteed benefit. This guaranteed benefit is equal to the amount of tax actually paid by the employee per BestOf Share Option.

Product data:

Underlying Asset	Solactive Developed Europe ETF Select NTR Index ISIN DE000SLOBT18 The underlying consists of 3 ETFs that all track the Euro Stoxx 50 Index. The Euro Stoxx 50 Index consists of 50 major European stocks from the Eurozone. All information about the index can be found at https://www.solactive.com/indices/?se=1&index=DE000SLOBT18
Exercise or Strike Price	The Exercise Price will be calculated on the issue date based on the value of the Underlying Asset. The Exercise Price will be made available on this day in the Esop Online Tool where the employer can consult it.
Fractional Share	The fraction will be calculated on the issue date based on the value of the Underlying Asset. The Fraction will be made available on this day in the Esop Online Tool where the employer can consult it.
Hedging Option value on Issue Date	10,00 EUR
Issue date	20/12/2022
Maturity date	19/12/2032
Termination and Exercise option	Termination of the Hedging Options takes place one year after the Issue Date at the earliest, simultaneously and automatically upon termination of a BestOf Share Option by a Beneficiary. However, if a beneficiary employee refuses a BestOf Share Option, the employer can independently terminate the corresponding purchased Hedging Options at an earlier date.
Guaranteed Benefit per Hedging Option	53.5% of 23% of Strike Price x Fraction

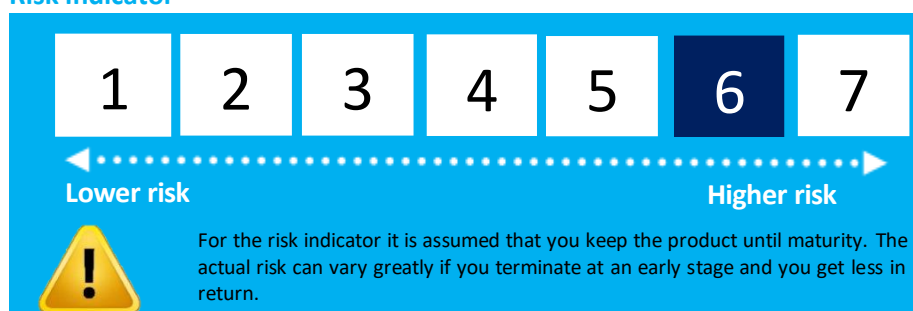
KBC Bank NV (Developer) cannot terminate the PRIIP unilaterally.

Retail investor targeted by the PRIIP

This complex financial instrument is aimed at people with sufficient experience to understand the aspects of the product on offer and the knowledge to be able to assess the benefits and risks of this complex financial instrument based on their financial situation. They should therefore be familiar with share options. KBC Bank NV offers this product to MIFID retail employers/clients from its corporate client database who use it for employee-benefit purposes.

What are the risks and what can I expect in return?

Risk indicator



The summary risk indicator is a guideline for the product's risk level compared to that of other products. The indicator shows how likely it is that investors will lose on the product owing to market developments or because no money is available to make payments. We classified this product as class 6, which is a high risk class.

Because this product is not protected against future market performance, you risk losing a part of your investment.

If we are unable to pay you what you are owed, you risk losing your entire investment.

Performance scenarios

Future market developments cannot be accurately predicted. The scenarios used serve merely as an indication of the possible return based on recent data. The actual return may be lower.

Investment of 10 000 EUR Scenarios		1 year	5 years	10 years
Stress scenario	Your return less charges	EUR 3.532,16	EUR 3.171,76	EUR 3.170,40
	Average annual return	-64,68%	-13,66%	-6,83%
Unfavourable scenario	Your return less charges	EUR 5.885,18	EUR 4.508,83	EUR 3.170,40
	Average annual return	-41,15%	-10,98%	-6,83%
Moderate scenario	Your return less charges	EUR 9.282,41	EUR 10.996,66	EUR 18.502,59
	Average annual return	-7,18%	1,99%	8,50%
Favourable scenario	Your return less charges	EUR 13.564,30	EUR 32.536,62	EUR 69.277,27
	Average annual return	35,64%	45,08%	59,29%

This table shows various scenarios for the amount you could receive over the next ten years based on an investment of 10 000 EUR. The scenarios used illustrate your possible return on investment. You can compare them to the scenarios for other products.

The scenarios provide an estimate of future performance based on past data on how the value of this investment varies, and are not an exact indication. The amount you receive depends on market performance and how long you keep the product.

The stress scenario shows the amount you could receive under extreme market conditions and does not factor in any situation in which we might be unable to pay you.

The figures shown include all the costs of the product itself, but may exclude certain costs that you pay to your adviser or distributor.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

What if KBC Bank NV is unable to pay out?

Repayment depends on the solvency of KBC Bank NV. If KBC Bank NV has insufficient resources to meet its payment obligations for this product, e.g., if it became insolvent, you could lose your entire investment. This product is not covered by any deposit guarantee scheme or by any other form of guarantee.

What costs are involved?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest 10 000 EUR. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of 10 000 EUR Scenarios	If you terminate the option after 1 year	If you terminate the option after 5 years	If you terminate the option after 10 years (on Maturity)
Total costs	EUR 500,00	EUR 500,00	EUR 500,00
Impact on return (RIY) per year	5,00 %	1,00 %	0,50 %

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off charges	Hedging fee	0,50%	The impact of the costs already included in the price.
	Exit fees	0,00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0,00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0,00%	The impact of the costs that we take each year for managing your investments.
Incidental charges	Performance fees	0,00%	The impact of the performance fee. We deduct these costs from your investment if the product outperforms its benchmark.
	Carried interests	0,00%	The impact of carried interest.

How long should I hold it and can I take money out early?

Recommended holding period: 1 year, which corresponds to the product's lock-up period.

Termination of the Hedging Options during the Exercise Period may be subject to a fee to be determined by KBC Bank NV, whereby the latter will act as the counterparty. KBC Bank NV undertakes to systematically accept the Termination of the Hedging Options and to pay the Termination Fee simultaneously with the termination of the BestOf Share Options.

How can I lodge a complaint?

Your intermediary is the first point of contact for your complaints. If you do not reach an agreement, you can contact klachten@kbc.be Tel. 0800 62 084, Brusselsesteenweg 100 3000 Leuven, or gestiondesplaintes@cbc.be, Tel. 081 803 163, Avenue Albert I, 60 5000 Namur or ombudsman@ombudsfm.be, Tel. 02 545 77 70, Koning Albert II-laan 8 bus 2 1000 Brussels. The full complaints procedure can be found on www.kbc.be or www.cbc.be. However, you always retain the right to initiate legal proceedings.

Other relevant information

Investors seeking detailed information on the risk factors or the sales restrictions are advised to carefully read the following document: 'Investment instruments: strengths and weaknesses', which can be found in the 'Investment documentation' section on the KBC website.

