

C orporate Governance Statement

Reference Code and introduction

In this Corporate Governance Statement, bpost outlines the key aspects of its corporate governance framework. This framework is consistent with the rules and principles set out in the Law of March 21, 1991 on the reform of certain economic public companies, as amended from time to time (the "1991 Law"), the Belgian Code of Companies and Associations¹, the Articles of Association, and the Corporate Governance Charter.

As a limited liability company under public law, bpost is governed by the Belgian Code of Companies and Associations, unless otherwise stipulated in the 1991 Law or other Belgian laws or regulations.

Articles of Association

The latest version of bpost's Articles of Association was adopted at the Shareholders' Meeting of May 13, 2020 and was approved by the Royal Decree of December 6, 2020².

The main characteristics of bpost's governance model are the following:

- The **Board of Directors** sets bpost's general policy and strategy and oversees operational management;
- The Board of Directors set up a **Strategic Committee**, an **Audit Committee** and a **Remuneration and Nomination Committee** to assist and make recommendations to the Board of Directors;
- An **Ad Hoc Committee** consisting of at least three independent directors of the Board of Directors, which is established and intervenes when the procedure prescribed by Article 7:97 of the Belgian Code of Companies and Associations, as incorporated in bpost's Corporate Governance Charter, is triggered;
- The Chief Executive Officer ("**CEO**") is responsible for operational management; the Board of Directors has delegated the powers of day-to-day management to the CEO;
- The **Group Executive Committee** assists the CEO with operational management;
- There is a clear division of responsibilities between the Board of Directors and the CEO.

Corporate Governance Charter

The Board of Directors adopted the Corporate Governance Charter on May 27, 2013. The Charter has been in effect since June 25, 2013 and was last amended by the Board of Directors' decision of August 4, 2020.

The Board of Directors regularly reviews bpost's Corporate Governance Charter and adopts any changes deemed necessary and appropriate.

The Corporate Governance Charter contains rules with respect to:

- the corporate governance structure: bpost applies a "one-tier" governance structure in accordance with article 7:85 of the Belgian Code of Companies and Associations;

¹ Dated March 23, 2019. This Code was published in the Belgian State Gazette on April 4, 2019.

² This Royal Decree was published in the Belgian State Gazette on December 29, 2020. In accordance with article 41, §4 of the 1991 Law, any amendment to bpost's Articles of Association must be approved by a Royal Decree following a debate in the Council of Ministers.

- the duties of the Board of Directors, Board Committees, Group Executive Committee, and CEO;
- the responsibilities of the Board of Directors' Chairperson and Corporate Secretary;
- the requirements that apply to the Board of Directors' members to ensure that they have adequate experience, expertise, and competences to fulfill their duties and responsibilities;
- the disclosure system on mandates held and rules aimed at avoiding conflicts of interests and providing guidance on how to inform the Board of Directors in a transparent way in case conflicts occur, and a prohibition on director participation in the deliberations and voting on any matter in which he or she has a conflicting interest.

Reference Corporate Governance Code

The 2020 Belgian Code on Corporate Governance (the “**Corporate Governance Code**”) is the reference code applicable to bpost¹. The Corporate Governance Code is based on a “comply or explain” approach. Belgian listed companies are required to follow the Corporate Governance Code, but may deviate from its provisions provided they disclose the justification for any such deviation.

Deviations from the Corporate Governance Code

During the financial year 2020, bpost complied with the Corporate Governance Code, with the exception of the following four (4) deviations:

- The Corporate Governance Code (provision 5.6) states that the term of a board mandate should not exceed four years. However Jean-Paul Van Avermaet was appointed at the Shareholders' Meeting of May 13, 2020 as director for a term ending at the termination of his fixed-term mandate as CEO (which runs until January 12, 2026). Linking his board mandate to his mandate as CEO, instead of setting a term of four years, is justified and even necessary to ensure continuity in the organization and management of the company, and contributes to the achievement of bpost's long-term objectives.
- The Corporate Governance Code (provision 7.6) provides that non-executive directors should receive part of their remuneration in the form of shares in the company to allow them to act from the perspective of a long-term shareholder. bpost deviates from this principle, and does not award any share-based remuneration to the non-executive members of the Board of Directors. Taking into account the current remuneration as well as the independence of the non-executive directors, bpost is of the view that granting remuneration in shares would not necessarily contribute to the objectives of the Corporate Governance Code, and believes that the applied remuneration policy already achieves the objective of enabling such directors to act from the perspective of a long-term shareholder and reduces the likelihood of conflicts of interest. Moreover, five (5) of the ten (10) non-executive Directors are appointed upon nomination by the reference shareholder and, based on a survey of Spencer Stuart, many listed companies do not pay their non-executives directors in shares, including other Belgian state-owned listed companies. Therefore, bpost considers that such deviation from provision 7.6 of the Corporate Governance Code is justified.
- The Corporate Governance Code (provisions 7.7 and 7.9) states that executives should hold a minimum number of shares in the company and receive an appropriate balance of cash and deferred remuneration. However, the members of the Group Executive Committee are not awarded any equity-based remuneration (shares, stock-options or other rights to acquire shares) and no part of their remuneration is deferred. This decision is in line with the majority shareholder's expectation and bpost considers it to be justified as the Board of Directors is convinced that the current remuneration package of executives already contributes to achieving the objectives of promoting sustainable value creation and strategic objectives, as well as attracting and retaining talents. To further align bpost's remuneration policy with the Corporate Governance Code, the Board of Directors is evaluating the introduction of a long-term incentive plan (“**LTIP**”) based on a balance between the individual and the Group performances, similar to the LTIP implemented by another Belgian state-owned listed company. The members of the Group Executive Committee would be incentivized to align their interests with the sustainable value-creation objectives of the company through an LTIP based on the satisfaction of performance criteria and paid in cash after a vesting period.
- The Corporate Governance Code (provision 7.12) provides that contracts with executives should include claw-back provisions. However, no specific provisions on early termination (including on recovery of or withholding

¹ The Corporate Governance Code is available on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

of payment of variable remuneration) are inserted in the contracts with executives. This deviation from the Corporate Governance Code is justified as the variable remuneration of members of the Group Executive Committee is capped, and does not represent a significant portion of their remuneration package¹. In these circumstances, the insertion of claw-back provisions with regard to the payment of variable remuneration to executives would have a limited influence in the pursuit of long-term and sustainable value-creation objectives. In addition, the number of situations that could give rise to a claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

Board of Directors

Composition

GENERAL RULES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors is governed as described below:

- The Board of Directors consists of a maximum of 12 directors, including the CEO, and comprises only non-executive directors, except for the CEO.
- All directors are appointed (and can be removed) by the Shareholders at a Shareholders' Meeting, on proposal by the Board of Directors and from candidates nominated by the Remuneration and Nomination Committee.
- Directors are appointed for a renewable term of maximum four years, to the extent that the total term of their mandate (as renewed) does not exceed 12 years. To ensure continuity in the organization, these limitations do not apply to the CEO.
- Any shareholder holding at least 15% of bpost's shares has the right to nominate directors for appointment pro rata its shareholding ("nomination right"). Directors nominated by a shareholder may be independent, provided they fulfill the general independence criterion laid down in Article 7:87 of the Belgian Code of Companies and Associations (also considering the specific independence criteria laid down in Article 3.5. of the Corporate Governance Code and article 4.2.6 of the Corporate Governance Charter), but do not have to be independent.
- All directors, other than the CEO and those appointed through the aforementioned nomination right, must be independent directors. In any case, the Board of Directors must comprise at all times at least three directors fulfilling the general independence criterion laid down in Article 7:87 of the Belgian Code of Companies and Associations, also considering the specific independence criteria laid down in Article 3.5. of the Corporate Governance Code and article 4.2.6 of the Corporate Governance Charter. The bpost Corporate Governance Charter further provides that at least half of the directors must at all times meet the independence criteria as set out in Article 3.5. of the Corporate Governance Code.
- Any director can be removed by decision of the Shareholders at a Shareholders' Meeting.
- Should any director mandate become vacant, the remaining directors have the right, in accordance with Article 7:88 of the Belgian Code of Companies and Associations, to temporarily fill such vacancy until a final appointment takes place in accordance with the abovementioned rules.

The current composition of the Board of Directors complies with:

- the gender representation requirements set forth in (i) Article 18, §2bis of the 1991 Law and (ii) Article 7:86 of the Belgian Code of Companies and Associations; and
- the language requirements set forth in Article 16 and 148bis/1 of the 1991 Law.

Finally, in accordance with the Law of September 3, 2017 on disclosure of non-financial and diversity information by certain large undertakings and groups, bpost applies a diversity policy in relation to its administrative, management, and supervisory bodies with regard to aspects such as, e.g., age, gender, educational and/or professional backgrounds. A description of this policy, its objectives, how it has been implemented, and the results in the reporting period is provided further in this Annual Report.

¹ For the member of the GEC located in the United States, the portion of variable remuneration is higher in line with local market practices.

The Board of Directors was, per December 31, 2020, composed of the following 11 members:

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	MANDATE EXPIRES
FRANÇOIS CORNELIS⁽¹⁾	Chairperson of the Board of Directors	2013	2023
JEAN-PAUL VAN AVERMAET⁽³⁾	CEO and Director	2020	2026
JOS DONVIL⁽⁵⁾	Non-Executive Director	2017	2021
ANNE DUMONT⁽⁶⁾	Non-Executive Director	2019	2023
BERNADETTE LAMBRECHTS⁽²⁾	Non-Executive Director	2014	2021
LAURENT LEVAUX⁽⁶⁾	Non-Executive Director	2012 ⁽⁷⁾	2023
RAY STEWART⁽⁴⁾	Independent Director	2014	2022
MICHAEL STONE⁽⁴⁾	Independent Director	2014	2022
FILOMENA TEIXEIRA⁽⁵⁾	Independent Director	2017	2021
SASKIA VAN UFFELEN⁽⁵⁾	Independent Director	2017	2021
CAROLINE VEN⁽⁶⁾	Non-Executive Director	2012 ⁽⁷⁾	2023

(1) Appointed by the General Meeting of Shareholders of bpost held on May 27, 2013 (confirmed by decision of June 25, 2013) and appointed as Chairperson by a Board of Directors decision of May 10, 2017. His mandate was renewed (i) as director by a decision of the General Meeting of Shareholders of bpost held on May 8, 2019 and (ii) as Chairperson by a Board of Directors' decision of May 8, 2019.

(2) Appointed by the annual General Meeting of Shareholders of bpost held on May 13, 2020.

(3) Appointed as CEO by the Board of Directors of bpost held on February 12, 2020. Appointment as member of the Board of Directors was confirmed with retroactive effect by the annual General Meeting of Shareholders of bpost held on May 13, 2020.

(4) Appointed by the General Meeting of all Shareholders of bpost other than Public Institutions held on September 22, 2014. Their mandate was renewed by the General Meeting of Shareholders held on May 9, 2018.

(5) Appointed by the annual General Meeting of Shareholders of bpost held on May 10, 2017.

(6) Appointed by the annual General Meeting of Shareholders of bpost held on May 8, 2019.

(7) First appointment as Director dates from 2012, but not in office from May 9, 2018 until May 8, 2019.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS

The following changes occurred in the composition of the Board of Directors in 2020:

- on February 26, 2020, the mandate of Koen Van Gerven, as director and CEO, automatically expired and was not renewed;
- on February 12, 2020, upon unanimous recommendation of the Remuneration and Nomination Committee, the Board of Directors decided, with effect as from February 26, 2020, to:
 - co-opt Jean-Paul Van Avermaet, as director until the Shareholders' Meeting of May 13, 2020 (in accordance with article 17 of the Articles of Association and 7:88 of the Belgian Code of Companies and Associations);
 - appoint Jean-Paul Van Avermaet as new CEO of bpost, vested with the day-to-day management and specific powers delegated by the Board of Directors, as well as the representation of the Company with regard to these powers, until January 12, 2026;
- on March 25, 2020, the director's mandate of Bernadette Lambrechts expired. In the interest of bpost, in order to ensure the continuity of bpost's Board of Directors, and in accordance with company law, she continued to carry out her functions until the Shareholders' Meeting of May 13, 2020;
- at the Shareholders' Meeting of May 13, 2020, the Shareholders decided to:
 - confirm, upon proposal of the Belgian State in accordance with its nomination right, the appointment of Jean-Paul Van Avermaet as director retroactively and for a term ending at the moment his mandate as CEO terminates;
 - renew, upon proposal of the Belgian State in accordance with its nomination right, the mandate of Bernadette Lambrechts as non-executive director for a term of one year until the Shareholders' Meeting of May 12, 2021.

At the Shareholders' Meeting of May 12, 2021:

- the mandate of Jos Donvil and Bernadette Lambrechts, appointed as non-executive directors upon proposal by the Belgian State, will expire;
- the mandate of Filomena Teixeira and Saskia Van Uffelen, appointed as independent directors, will expire.

The Board of Directors intends to recommend candidates, nominated by the Remuneration and Nomination Committee, for appointment by the Shareholders at the annual Shareholders' Meeting of May 12, 2021 to replace the directors whose mandate has ended or will expire.

Newly elected directors can choose to participate in an induction program aimed at acquainting them with bpost's activities and organization as well as with the rules laid down in the Corporate Governance Charter. This program includes visiting operational and sorting centers.

Powers and functioning

POWERS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of bpost's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the Shareholders' Meeting or other management bodies.

In particular, the Board of Directors is responsible for:

- defining and regularly reviewing the medium- and long-term strategy as well as the general policy orientations of bpost and its subsidiaries;
- deciding all major strategic, financial and operational matters of bpost and its subsidiaries;
- ensuring that the bpost's culture is supportive of the realization of its strategy and that it promotes responsible and ethical behavior;
- overseeing the management of the Company by the CEO and the Group Executive Committee;
- all other matters reserved to the Board of Directors by the Belgian Code of Companies and Associations or the 1991 Law.

The Board of Directors is entitled to delegate special and limited powers to the CEO and other members of senior management and can allow sub-delegation of said powers. On June 30, 2017, the Board of Directors decided to approve a delegation of authority formalizing the delegation of specific powers by the Board of Directors to the CEO and other members of the Group Executive Committee. This policy, which does not affect the powers granted to the Board of Directors by or pursuant to bpost's Articles of Association, has been published in the annexes to the Belgian Official Gazette on November 16, 2017.

FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors meets whenever the interests of the Company so requires or at the request of at least two directors. In principle, the Board of Directors meets seven times a year and in any event not less than five times a year. In 2020, the Board of Directors met thirteen (13) times.

In general, the Board of Directors' and Board Committees' decisions are taken by simple majority of the directors present or represented, although for certain Board matters a two-thirds' majority is required (such as, e.g., decisions on the approval of all renewals or amendments to the Management Contract and certain decisions on the administrative law status of statutory employees). In the case of a tie, the Chairperson has a casting vote.

The bpost Corporate Governance Charter reflects the principles by which the Board of Directors and the Board Committees operate.

The Corporate Governance Charter provides, inter alia, that the Board of Directors' decisions of strategic importance, including the adoption of the business plan and the annual budget and decisions regarding strategic ac-

quisitions, alliances and divestitures must be prepared by a standing or an ad hoc Board Committee. For any such decisions, the Board of Directors shall strive to achieve broad support across its various constituencies, it being understood that, following appropriate dialogue and consultations, the Board of Directors' Chairperson may call for a decision and the proposal shall carry if adopted by a majority of the votes cast.

Evaluation process of the Board of Directors

Under the Chairperson's lead, the Board of Directors conducts regular evaluations of its scope, composition, and performance, along with those of the Board Committees, as well as the interaction with the Group Executive Committee. If needed, the Chairperson shall propose the necessary measures to remedy any weaknesses of the Board of Directors or of any Board Committee.

The Board of Directors recently conducted an external assessment on its functioning and composition. Such external assessment took place at the end of 2020 and the beginning of 2021.

The Board of Directors continuously evaluates and improves its functioning in order to steer bpost ever better and more efficiently.

Transactions between bpost, its Board members and executive managers

A general policy on conflicts of interest applies within bpost and prohibits any conflict of interests situation of a financial nature that may affect a director's personal judgment or professional tasks to the detriment of bpost's group.

In accordance with Article 7:96 of the Belgian Code of Companies and Associations, Jean-Paul Van Avermaet declared, during the Board of Directors' meetings of June 17, 2020, August 4, 2020, September 17 and 18, 2020 and October 7, 2020, to have a personal conflict of interest of patrimonial nature in connection with agenda item regarding the investigation by the Belgian Competition Authority ("BCA") in the security sector covering a period before he joined bpost as CEO and the follow-up on the position of CEO. He informed bpost's Auditors of this conflict of interest and decided not to participate in the deliberation or voting on this item.

Below follow the verbatim extracts of the relevant Board of Directors' minutes, in which were redacted only certain elements that in the view of the Board either (i) risk to jeopardize the rights to a fair process of the CEO in particular or (ii) violate someone's privacy in general (and in particular the CEO's), but in each case to the extent only that such a redaction does not make the mandatory disclosure to the shareholders under article 7:96 of the Belgian Code of Companies and Associations inadequate.

BOARD OF DIRECTORS' MEETING OF JUNE 17, 2020:

"The Chairman opened the meeting at 10.00 a.m.

Prior to proceeding with the agenda of the Board, the Chairman proposed to hear the CEO in the presence of his personal lawyer, [...] regarding the press articles relating to the investigation of the Belgian Competition Council ("BCA") in the security sector. The press reports focus on the CEO's potential involvement in his capacity as CEO of G4S Belgium and thus in a period prior to taking up his position as CEO of bpost.

The Chairman requested confidentiality of all Board members regarding the matter.

Mr. Van Avermaet made the following statements in the presence of his attorney:

- *The investigation of the BCA is a mere sector inquiry into the security sector;*
- *He is not personally involved in the ongoing BCA investigation in respect of security companies; he is not aware of any wrongdoing and he has not been indicted;*
- *Discussions within the security sector did not go beyond concertation about the collective labor agreement and discussing problems the sector was facing;*
- *He was not aware of the existence of the investigation of the BCA in respect of security companies when he was hired by bpost.*

In the absence of the CEO, the Board discussed the matter. Elements of the discussion were, a.o. the reputation risk of bpost and whether the CEO was still in a position to execute the bpost strategy.

One Board member suggested to seek external counsel for the Company which the Chairman thought was a good idea.

The Board took notice of the information provided by the CEO and his counsel, and based upon this information, the Board decided to support the CEO and the management team in the execution of the strategy given the challenges ahead for bpost. As bpost is by no means involved, the Board has no further comments.

The CEO was thereupon invited back in the meeting."

BOARD OF DIRECTORS' MEETING OF AUGUST 4, 2020:

"Prior to the report of the Chairman, the CEO declared to have a personal conflict of interest of a patrimonial nature aimed at by Article 7:96 of the Belgian Code of Companies and Association in respect of the agenda item which relates to the report of the Remuneration and Nominations Committee meeting which discussed the status of the CEO.

The CEO left the meeting room and did not participate in the deliberation, nor the decision. The CEO will instruct the Joint Auditors of his conflict of interest in accordance with Article 7:96 of the Belgian Code of Companies and Association.

The Chairman noted that all Board members, except one who was on vacation, had signed the confidentiality agreement, and that one Board member had signed an amended version of the agreement. The Chairman of the Board asked whether the Board agreed to proceed on that basis with the report of the RemCo. The Board raised no objection.

The Chairman also stated that he has asked the Corporate Secretary to prepare a brief training and development program at the next Board meeting relating to the obligations of all Board members.

The Chairman reported on the discussions within the RemCo, and its recommendations to the Board.

The RemCo met to discuss the impact on the reputation of bpost of the formal investigation of the Belgian Competition Council in the security industry and whether some statements made by the CEO may be incompatible with his legal obligations on transparency.

The following documents were made available to the members of the Committee:

- *The letter of the Auditor-General of the Belgian Competition Council to bpost dated June 24 clarifying the scope and nature of the investigation in the sector of security services.*
- *The competition law analysis of the Belgian Competition Authority' investigation by the external counsel, Jones Day, retained by bpost dated June 24, 2020.*
- *The legal advice of the external counsel to bpost, Claeys & Engels, dated July 15, 2020, analyzing whether the statements of the CEO to the Board of Directors were misleading and could constitute a breach of the management contract of the CEO.*
- *The letter of the Chairman of bpost to G4S dated July 22, 2020 requesting confirmation that the direct reports of their former CEO were put on garden leave as reported in the press and announcing potential damage claims by bpost against G4S if the Competition Council were to conclude that the violations of competition law were founded.*

The Committee members had the opportunity to ask questions to [...] of Jones Day, and to [...] of Claeys, Engels, both retained as counsel to bpost.

The Committee subsequently heard the CEO in the presence of his lawyer, [...] of the firm Liedekerke to allow due and fair process, and to ask questions to the CEO.

The CEO and his lawyer amended their statement made at the Board meeting of June 17, recognizing that the enquiry was neither preliminary, nor a sector inquiry, but an enquiry about companies and individual behaviors.

In the absence of the CEO and his counsel, the Chairman reported on the recommendations of the Committee to the Board:

1. *The Company Secretary would invite all Board members to sign a letter of confidentiality prior to the Board meeting. This letter was sent on July 31 to all Board members.*
2. *The Chairman would send a letter to the CEO inviting him to provide all information pertaining to the investigation and his involvement to meet his transparency obligations under his contract with bpost, the code of conduct*

and the corporate governance charter of bpost. If the CEO were to conclude that he is unable to meet his legal obligations towards bpost, the CEO will formally request the Auditor-general for permission to lift confidentiality for the purpose of meeting his transparency obligations towards bpost, and a copy of the correspondence in this respect will be promptly shared with the Chairman.

3. The CEO will present at the next meeting of this Committee in September a risk action plan to safeguard the excellent reputation of bpost relating to all its stakeholders and present mitigation actions to manage those risks. This plan will be shared with all members of the Committee prior to the meeting.
4. The Committee also recommends to the Board to terminate the contract of the CEO in case the Competition Authority would issue formal charges against the CEO in this matter, in case the CEO would request immunity for prosecution by a guilty plea, or in case the CEO would be granted immunity.

Upon recommendation of the Committee, the Board of Directors unanimously approved the above recommendations.

[...]

The Board agreed as the matter of the succession of the CEO is extremely important, that the succession plan of the CEO be discussed at Board level. The Board agreed that good corporate governance requires to prepare an update of the succession plan for the CEO and the members of the GEC.

The CEO was then invited to rejoin the meeting."

BOARD OF DIRECTORS' MEETING SEPTEMBER 17-18, 2020:

"Prior to the report of the Chairman, the CEO declared to have a personal conflict of interest of a patrimonial nature aimed at by Article 7:96 of the Belgian Code of Companies and Association in respect of the agenda item which relates to the follow-up on his position.

The CEO left the meeting room and did not participate in the deliberation, nor the decision. The CEO will instruct the Joint Auditors of his conflict of interest in accordance with Article 7:96 of the Belgian Code of Companies and Association.

The Chairman provided a chronology of events and correspondence.

The Board discussed the memorandum of the legal counsel which was provided to the Board. It asked several questions to [...] and [...] of Jones, Day, counsel to the Company in relation to the Department of Justice and the Belgian Competition Council investigations to which counsel responded.

The Board took note of the memorandum of its external counsel on the status of the proceedings, and had the opportunity to ask questions to counsel to the Company.

The Board considers that it is not its role to prejudge the outcome of the proceedings of the Belgian Competition Authority and the US Department of Justice in relation to possible cartel infringements in the security sector in Belgium and the possible involvement of Mr Van Avermaet therein.

That being said, the Board stresses that it expects the CEO to adhere at all times to the highest ethical standards and to abide by all applicable laws, in the interest of all stakeholders.

The Board expects also that the CEO complies with a strict obligation of transparency vis-à-vis the Board.

Upon motion duly made and seconded, the Board agreed to the following:

- The Board requests the CEO to continue to execute the long term strategy of bpost in the interests of all its stakeholders
- The Board requests that the CEO promptly (i.e. within 24 hours after the CEO becomes himself aware of the development or, if this development pre-dates the Board resolution, within 5 working days following the notification of the Board resolution) informs the Board in writing of all information that should be brought to the attention of the Board under his contract and the applicable rules and regulations so that the Board can take a well informed decision to protect the best interests of the Company. [...]
- The Board considers that a failure to timely perform its disclosure obligations towards the Board constitutes a serious fault within the meaning of his contract and can lead to an immediate termination of his contract as CEO of bpost without any compensation.

- The Board requests confirmation from the CEO that he is able and willing to travel to all bpost subsidiaries (COVID permitting) and capable of exercising his role as group CEO of bpost.
- [...]

[One member of the Board formulated a dissenting opinion.]

The CEO was then invited to rejoin the meeting, together with the members of the Group Executive Committee, to proceed with the agenda."

BOARD OF DIRECTORS' MEETING OF OCTOBER 7, 2020:

"Prior to the report of the Chairman, the CEO declared to have a personal conflict of interest of a patrimonial nature aimed at by Article 7:96 of the Belgian Code of Companies and Association in respect of the agenda item which relates to the follow-up on his position.

The CEO left the meeting room and did not participate in the deliberation, nor the decision. The CEO will instruct the Joint Auditors of his conflict of interest in accordance with Article 7:96 of the Belgian Code of Companies and Association.

The Chairman reminded the Board of the decisions relating to the position of the CEO of September 17. The Chairman also informed the Board of the letter of the new deputy Prime Minister and her request to be fully informed about the file.

[...] [The letter of the Board to the CEO dated September 24 as well as the response of the CEO dated October 1] were shared in advance with the Board, as well as the legal opinions of external counsel to the Company. The Chairman also expressed his concern regarding the impact on the reputation of the Company and the challenge to balance carefully the interest of all stakeholders versus the individual right of the CEO to defend himself.

The Chairman stated that the Board needs to discuss today what would be in the best interest of the Company and whether the Board believes the CEO could still perform his obligations and functions as a CEO.

The Chairman underscored the fact that the CEO has not at this stage been indicted or being prosecuted individually.

He then invited all Board members to express their views and positions on the matter.

All Board members expressed their views and opinions. For reasons of confidentiality, these views are not incorporated individually in the minutes.

Upon motion duly made and seconded, the Board agreed to the following:

- The Board requested a relationship of trust between the CEO and the Board, and transparency is a key element for such a trust.
- The Board confirms its decision of September 17 to request, among others, transparency of the CEO. Therefore, as his current response is inadequate, the Board agreed to give the CEO until October 21 to respond to the information request in a satisfactory manner.
- The Board also agreed to call a RemCo to continue to evaluate the succession plan for the CEO assessing internal candidates, but agreed not to undertake an external search for the time being.

[Two members of the Board formulated a dissenting opinion.]"

Transactions between bpost and its majority shareholders

The related party transactions procedure set forth in Article 7:97 of the Belgian Code of Companies and Associations shall be observed for any decisions regarding the management contract or other agreements with the Belgian State or other Public Institutions (other than those within the scope of Article 7:97, §1, section 3 of the Belgian Code of Companies and Associations).

Committees of the Board of Directors

The Board of Directors has established three permanent Board Committees which assist the Board of Directors and make recommendations in specific fields: the Strategic Committee, the Audit Committee (in accordance with Article 7:99 of the Belgian Code of Companies and Associations), and the Remuneration and Nomination Committee (in accordance with Article 7:100 of the Belgian Code of Companies and Associations). The terms of reference of these Board Committees are set out in the Corporate Governance Charter.

STRATEGIC COMMITTEE

The Strategic Committee advises the Board of Directors on strategic matters and shall, in particular:

- regularly review industry developments, objectives and strategies of bpost and its subsidiaries and recommend corrective actions;
- review risks and opportunities of the strategy as identified by the Company's strategic risk assessment and other processes, and the impact of the relevant industry trends and changes, emerging or evolving competitive activity, governmental or legislative developments and the Company's performance against the financial targets agreed by the Board of Directors and communicated to the Company's shareholders;
- review the draft business plan submitted each year by the Group Executive Committee and provide guidance for the strategic planning process to ensure that the strategic implementation plan is developed, adhered to, and embedded in the Company;
- review strategic transactions proposed by the CEO or Group Executive Committee, including strategic acquisitions and divestitures, formation and termination of strategic alliances or longer-term cooperation agreements, launching of new product segments and entry into new products or geographic areas;
- monitor the implementation of such strategic projects and of the business plan including the Company's progress against strategic goals using predefined and agreed key performance indicators (KPIs) and provide feedback and advice on business tactics, merger and acquisition strategy, market capabilities, and resource requirements and allocation;
- review the execution of transactions, post-acquisition implementation and the realisation of the foreseen value of the acquisition to the Company's strategic objectives, including evaluating post-transaction audits to track performance against acquisition plan targets and the creation of value and realisation of synergies;
- make reports to the Board of Directors on its activities including an annual review of the performance of the committee and any recommendations for changes in the scope of its duties, composition, and working practices.

The Strategic Committee consists of maximum six directors. The Strategic Committee's Chairperson is designated by the Strategic Committee's members.

The Strategic Committee was, per December 31, 2020, composed of the following five members:

NAME	POSITION
LAURENT LEVAUX (CHAIRPERSON)	Non-Executive Director
CAROLINE VEN	Non-Executive Director
FILOMENA TEIXEIRA	Independent Director
JEAN-PAUL VAN AVERMAET	CEO and Director
ANNE DUMONT	Non-Executive Director

The Strategic Committee met three (3) times in 2020.

AUDIT COMMITTEE

The Audit Committee advises the Board of Directors on accounting, audit, and internal control matters, and shall, in particular be in charge of:

- monitoring the integrity of bpost's financial statements and bpost's accounting and financial reporting processes and financial statements audits as well as bpost's budget;
- monitoring the effectiveness of bpost's internal control and risk management;
- monitoring the internal audit function and its effectiveness;
- monitoring the performance of the Joint Auditors and the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the Joint Auditors;

- reviewing and monitoring the Auditors' independence, especially in view of the provisions of the Belgian Code of Companies and Associations;
- proposing candidates to the Board of Directors for the two Auditors to be appointed by the Shareholders' Meeting;
- informing the Board of Directors on the results of the statutory audit and the performance of its tasks;
- appointing, dismissing, replacing, and annually evaluating the performance of the Chief Audit Officer.

The Audit Committee consists of maximum five non-executive directors, with at least one independent director. The Audit Committee's Chairperson is designated by the Audit Committee's members.

Collectively, the Audit Committee's members have sufficient relevant expertise in the field of accounting and audit to fulfill their roles effectively, notably in financial matters. Ray Stewart is competent in accounting and auditing, as evidenced by his former positions at Nyrstar and Proximus (previously Belgacom). The other members of the Audit Committee hold or have held several board or executive mandates in top-tier companies or organizations.

The Audit Committee was, as of December 31, 2020, composed of the following five members:

NAME	POSITION
RAY STEWART (CHAIRPERSON)	Independent Director
MICHAEL STONE	Independent Director
SASKIA VAN UFFELEN	Independent Director
BERNADETTE LAMBRECHTS	Non-Executive Director
CAROLINE VEN	Non-Executive Director

The Audit Committee met four (4) times in 2020.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the appointment and remuneration of directors, CEO, and Group Executive Committee and shall in particular:

- identify and nominate Board candidates to fill vacancies as they arise, thereby considering proposals made by relevant parties, including shareholders;
- nominate for appointment candidates for the Board of Directors to be appointed by shareholders (whether or not in application of their nomination right set forth in Article 14, §2 of the Articles of Association);
- advise the Board of Directors on the appointment of the Board of Directors' Chairperson;
- advise the Board of Directors on the appointment of the CEO and on the CEO's proposals for the appointment of other members of the Group Executive Committee;
- advise the Board of Directors on the remuneration of the CEO and other members of the Group Executive Committee, including arrangements on early termination;
- review the remuneration (long term share-based or cash-based, and short-term incentive schemes) of the directors, members of the Group Executive Committee, and employees;
- establish performance targets and conduct performance reviews for the CEO and other members of the Group Executive Committee;
- advise the Board of Directors on the remuneration of the directors;
- advise the Board of Directors on talent management and diversity & inclusiveness policy;
- prepare and submit the remuneration report to the Board of Directors;
- advise the Board of Directors on the remuneration policy to be submitted, as the case may be, to the Shareholders' Meeting;
- lead the process for succession planning for Board of Directors and Group Executive Committee members, taking into account the challenges and opportunities facing bpost, the skills and expertise needed in each position and the appropriate balance of skills, knowledge, experience and diversity to be maintained on the Board of Directors and the Board Committees;
- explain the remuneration report at the annual Shareholders' Meeting.

The Remuneration and Nomination Committee consists of minimum three and maximum five non-executive directors, with at all times a majority of independent directors. Collectively, Remuneration and Nomination Committee's members have sufficient relevant expertise with regard to remuneration policies to fulfill their roles effectively.

The Remuneration and Nomination Committee was, per December 31, 2020, composed of the following four members:

NAME	POSITION
FRANÇOIS CORNELIS (CHAIRPERSON)	Chairperson of the Board
JOS DONVIL	Non-Executive Director
SASKIA VAN UFFELEN	Independent Director
FILOMENA TEIXEIRA	Independent Director

The Remuneration and Nomination Committee met three (3) times in 2020.

Executive Management

CEO

The former CEO, in function until February 26, 2020, Koen Van Gerven, was appointed for a term of six years by the Royal Decree of February 26, 2014 following a debate in the Council of Ministers, in accordance with the provisions of the 1991 Law before it was amended by the December 2015 Law.

The current CEO, Jean-Paul Van Avermaet, was appointed for a term of six years by the Board of Directors upon recommendation of the Remuneration and Nomination Committee, until January 12, 2026.

The CEO is vested with (i) the day-to-day management of bpost and the representation of the company in respect of such management, (ii) the execution of the resolutions of the Board of Directors and (iii) the special powers delegated to him/her by the Board of Directors in accordance with Article 18, §2 of the Articles of Association. The CEO reports regularly to the Board of Directors.

The CEO can be removed by the Board of Directors.

Group Executive Committee

bpost's operational management is ensured by the Group Executive Committee and is led by the CEO. The Group Executive Committee consists of maximum nine members, who are appointed (for the duration determined by the Board of Directors) and removed by the Board of Directors, following a recommendation by the CEO and advice of the Remuneration and Nomination Committee.

The Group Executive Committee convenes regularly at the invitation of the CEO. The Group Executive Committee is assisted by the Group Executive Committee Secretary.

The individual members of the Group Executive Committee exercise the special powers delegated to them by the Board of Directors or the CEO, as the case may be. Within the limits of these powers, the members of the Group Executive Committee may delegate to one or more members of bpost's staff special and limited powers. The Group Executive Committee members may allow sub-delegation of these powers.

The Group Executive Committee prepares, under direction of the CEO, a business plan assessing bpost's medium-term purposes and strategy. This business plan is submitted to the Board of Directors for approval.

The Group Executive Committee was, as of December 31, 2020, composed of the following members:

NAME	FUNCTION
JEAN-PAUL VAN AVERMAET	Chief Executive Officer
LEEN GEIRNAERDT	Chief Financial Officer
MARK MICHIELS	Chief Human Resources & Organization
DIRK TIREZ	Chief Legal & Regulatory Officer and Company Secretary
NICO COOLS	Chief IT Officer and Chief Digital Officer
LUC CLOET	Director Mail & Retail
KATHLEEN VAN BEVEREN	Director Parcels & Logistics Europe and Asia
ILIAS SIMPSON	Director Parcels & Logistics North America

1991 Law Committee

The 1991 Law contains several provisions detailing the composition, appointment, and functioning of a “1991 Law Committee.” Since the entry into force of the December 2015 Law, the powers to be assigned to the 1991 Law Committee are limited to the negotiation of the Management Contract with the Belgian State (it being understood that the Management Contract requires the subsequent approval of the Board of Directors). Therefore, the 1991 Law Committee remains in existence only for the limited purposes and tasks assigned to it by the amended 1991 Law.

The 1991 Law Committee was, as of December 31, 2020, composed of the CEO, who chairs the Committee, and two other members (one Dutch-speaking member and one French-speaking member): Mark Michiels and Catherine Delvaux.

Company Secretary

The Board of Directors and the Advisory Committees are assisted by the Group Company Secretary, Dirk Tirez, who is also bpost’s Chief Legal & Regulatory Officer. He was appointed in October 2007. François Soenen is the Group Executive Committee Secretary.

Joint Auditors

The Joint Auditors audit bpost’s financial condition as well as consolidated and unconsolidated financial statements. There are four bpost Joint Auditors: (i) two Auditors appointed by the Shareholders’ Meeting and (ii) two Auditors appointed by the Court of Audit, the Belgian institution responsible for the verification of public accounts (Cour des Comptes/Rekenhof). The Joint Auditors are appointed for renewable terms of three years. The Shareholders’ Meeting determines the remuneration of the Joint Auditors.

bpost’s Joint Auditors were, as of December 31, 2020:

- EY Réviseurs d’Entreprises–Bedrijfsrevisoren SRL/BV (“EY”), represented by Mr. Romuald Bilem (member of the Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren), De Kleetlaan 2, 1831 Diegem, Belgium (its mandate was renewed by the Shareholders’ Meeting on May 9, 2018 until the annual Shareholders’ Meeting of 2021);
- PVMD Réviseurs d’Entreprises- Bedrijfsrevisoren SC/CV (“PVMD”), represented by Mrs. Caroline Baert (member of the Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren), Tweekerkenstraat 44, 1000 Brussel, Belgium (its mandate was renewed by the Shareholders’ Meeting on May 9, 2018 until the annual Shareholders’ Meeting of 2021);
- Mr. Philippe Roland, First President of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium (his mandate was renewed by the Court of Audit on September 25, 2019 until September 30, 2022); and

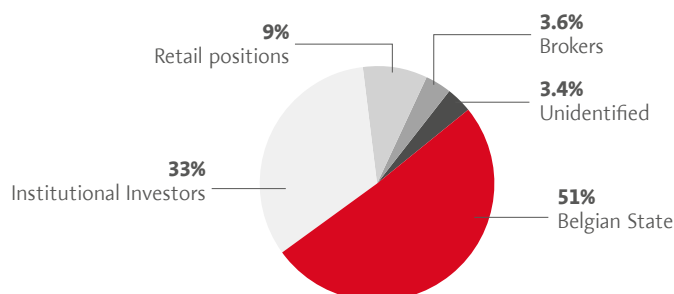
- Mrs. Hilde François, Chairperson of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium (she was appointed by the Court of Audit on October 3, 2018 until September 30, 2021).

EY and PVMD are responsible for the audit of bpost's consolidated financial statements. For the year ended December 31, 2020, EY and PVMD received 1,375,324.00 EUR (excluding value added tax) in fees for the audit of financial statements of bpost and its subsidiaries and 176,789.00 EUR (excluding value-added tax) in fees for non-audit services. The two auditors appointed by the Court of Audit received 81,698.00 EUR in remuneration for their services in connection with the audit of bpost's non-consolidated financial statements for the year ended December 31, 2020.

Shareholding structure and shareholders rights

bpost's shares are registered or dematerialized. On December 31, 2020, bpost's share capital was represented by 200,000,944 shares, listed on the regulated market of Euronext Brussels.

With, respectively, 48,263,200 (24.13%) and 53,812,449 (26.91%) bpost shares in their possession on December 31, 2020, the Belgian State and the SFPI/FPIM together hold 102,075,649 (51.04%) of bpost issued voting shares. The remaining 97,925,295 shares are held by individual shareholders and European and international institutional shareholders.



**STRUCTURE OVERVIEW
BY TYPE (IN %) ON
DECEMBER 31, 2020**

In 2020, bpost did not receive any transparency declarations disclosing that a notification threshold had been reached (crossed upward or downward) in accordance with the Law of May 2, 2007 on the disclosure of significant shareholdings in listed companies and the Articles of Association. All transparency notifications are available on bpost's website at <http://corporate.bpost.be/investors/share-information/transparency-declarations>.

The Company's shares are freely transferable, provided that, according to Article 147bis of the 1991 Law and Article 11 of the Corporate Governance Charter, the direct participation of Public Institutions in the registered capital has to exceed 50%.

On January 17, 2006, bpost, the Belgian state, the SFPI/FPIM entered into a shareholders' agreement, as subsequently amended, for a fixed term of 15 years. This agreement does not result in restrictions on the transfer of bpost shares and/or the exercise of voting rights other than set forth in the bpost Corporate Governance Charter.

On December 31, 2020, bpost did not hold any of its own shares.

Each share entitles its holder to one vote. Apart from the restrictions on voting rights imposed by law, the Articles of Association provide that, if shares are held by more than one owner, are pledged, or if the rights attached to the shares are subject to joint ownership, usufruct or any other kind of split of such rights, the Board of Directors may suspend the exercise of the rights attached to such shares until one person has been appointed as the sole representative of the relevant shares vis-à-vis bpost.

Remuneration Report

bpost¹'s remuneration report (the "**Remuneration Report**") was established in accordance with article 3:6 §3 of the Belgian Code of Companies and Associations (the "**BCCA**"), as amended by the law of April 28, 2020 transposing the Shareholder Rights Directive II² ("**SRD II Law**"), the Belgian Code of Corporate Governance 2020 (the "**Corporate Governance Code**"), market practices and trends.

bpost considers transparency and clear communication on the principles and implementation of its remuneration policy to be essential. It therefore shares relevant information in this Remuneration Report on the remuneration paid to the members of the Board of Directors and of the Group Executive Committee in the financial year 2020. This year's Remuneration Report introduces new tables that provide additional insight into the total remuneration of the members of the Board of Directors and of the Group Executive Committee, as well as the performance realized and the payout of the variable remuneration.

General remuneration policy and remuneration principles applied in financial year 2020

bpost has developed a dynamic, rewarding, and responsible remuneration policy. This policy is regularly assessed and updated to ensure bpost's sustainability.

The general remuneration policy has multiple objectives, *inter alia*:

- Attracting, retaining, and motivating qualified and specialized individuals needed to achieve the Company's strategic and operational goals in the transformation of its business into a leading e-commerce and logistics company in Europe and beyond;
- Stimulating performance at both the collective and individual levels to create sustainable and profitable long-term growth, while safeguarding the wellbeing of our staff. With this in mind, the remuneration plan integrates aspects related to (i) bpost's results (e.g., EBIT results, along with criteria relating to the wellbeing of the staff and customer satisfaction) and (ii) the individual performance and skills;
- Identifying and promoting bpost's corporate values and culture; and
- Offering the Company's employees a fair remuneration, in consultation with the trade unions, while remaining competitive compared to the reference markets of mail, parcels, logistics and omni-commerce companies in Europe.

bpost distinguishes three different groups for which the remuneration is set out in this Remuneration Report:

- The members of the Board of Directors;
- The CEO; and
- The members of the Group Executive Committee.

The individual remuneration of the members of the Board of Directors and members the Group Executive Committee depends on the category they belong to.

The Remuneration and Nomination Committee regularly examines the remuneration policy's principles and their application, and will continue to do so. The Board of Directors and the Remuneration and Nomination Committee will also continue analyzing the possibility and feasibility of introducing a long-term incentive plan. The purpose of this plan would be to better align the actions and initiatives of management with the long-term performance of the Company.

1 A public-law public limited company incorporated and existing under Belgian law, having its registered office at Muntcentrum, 1000 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 214.596.464 (RLE Brussels) (the "**Company**" or "**bpost**").

2 Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement ("**SRD II**").

During the financial year 2020, bpost did not deviate from the remuneration policy referred to above, which was approved by the Shareholders' Meeting on April 25, 2000, as amended from time to time. Despite the COVID-19 pandemic, bpost managed to retain the same key remuneration components and financial and customer objectives that were in place before the pandemic.

In compliance with the applicable corporate governance requirements, bpost will submit a new remuneration policy for the members of its Board of Directors and of the Group Executive Committee, applicable as from January 1, 2021, to the vote of its shareholders at the Shareholders' Meeting on May 12, 2021¹. This remuneration policy, approved by the Board of Directors on recommendation of the Remuneration and Nomination Committee on March 8, 2021 continues the existing practices while updating certain principles to better promote the long-term interests of bpost and the alignment of all stakeholders. bpost will publish its new remuneration policy (together with the results of the vote) on its website after the shareholder vote. Any further material change to this remuneration policy will then have to be approved by the Shareholders' Meeting, on recommendation of the Board of Directors and the Remuneration and Nomination Committee.

Total remuneration of the members of the Board of Directors, the CEO and the other members of the Group Executive Committee

REMUNERATION OF THE BOARD OF DIRECTORS' MEMBERS

The remuneration of the members of the Board of Directors (with the exception of the CEO), as approved by the Shareholders' Meeting of April 25, 2000, continued to apply in 2020. It consists of two elements:

- a monthly fixed fee; and
- an attendance fee for each Advisory Committee² meeting attended.

The monthly fixed fee and the attendance fee are subject to automatic indexation on March 1 of each calendar year on the basis of the Consumer Health Index.

No other benefits were paid to the Board of Directors' members for their mandate.

The CEO is not entitled to any remuneration for his mandate as a member of the Board of Directors.

Monthly fixed remuneration

During the financial year 2020, the members of the Board of Directors (with the exception of the CEO) received the following monthly fixed fee:

- 3,571.14 EUR for the Board of Directors' Chairman, who also chairs bpost's Joint Industrial Committee (*Paritaire Comité / Commission Paritaire*), as indexed on March 1, 2020;
- 1,785.57 EUR for the other directors (with the exception of the CEO) as indexed on March 1, 2020.

Attendance fees

The members of the Board of Directors (with the exception of the CEO) also received an attendance fee of 1,785.57 EUR per attended Advisory Committee meeting.

Overall remuneration

For the financial year 2020, the overall remuneration paid to all the members of the Board of Directors (with the exception of the CEO) totaled 319,138.05 EUR (gross).

¹ See: https://corporate.bpost.be/investors/shareholders-meetings/2021?sc_lang=en

² The Advisory Committees include the Strategic Committee, the Remuneration and Nomination Committee, the Audit Committee and Ad Hoc Committees.

The table below shows the total annual remuneration paid on an individual basis to each member of the Board of Directors (with the exception of the CEO) based on his/her participation in the Advisory Committee meetings:

MEMBER	BOARD OF DIRECTORS		STRATEGIC COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		AUDIT COMMITTEE		AD HOC COMMITTEE		TOTAL ANNUAL GROSS REMUNERATION (EUR)
	AMOUNT (EUR)	MEETINGS ⁽²⁾	AMOUNT (EUR)	MEETINGS ⁽²⁾	AMOUNT (EUR)	MEETINGS ⁽²⁾	AMOUNT (EUR)	MEETINGS ⁽²⁾	AMOUNT (EUR)	MEETINGS ⁽²⁾	
François Cornelis (Chairman of the Board)	42,782.72	13/13		NA	5,356.71	3/3		NA	1,767.83	1 ⁽¹⁾	49,907.26
Jos Donvil	21,391.36	12/13		NA	5,356.71	3/3		NA		NA	26,748.07
Anne Dumont	21,391.36	12/13	5,356.71	3/3		NA		NA		NA	26,748.07
Bernadette Lambrechts	21,391.36	13/13		NA		NA	7,142.28	4/4		NA	28,533.64
Laurent Levaux	21,391.36	11/13	5,356.71	3/3		NA		NA		NA	26,748.07
Ray Stewart	21,391.36	13/13		NA		NA	7,142.28	4/4	1,767.83	1 ⁽¹⁾	30,301.47
Michael Stone	21,391.36	13/13		NA		NA	7,142.28	4/4	1,767.83	1 ⁽¹⁾	30,301.47
Filomena Teixeira	21,391.36	11/13	5,356.71	3/3	3,571.14	2/3		NA	1,767.83	1 ⁽¹⁾	32,087.04
Saskia Van Uffelen	21,391.36	13/13		NA	5,356.71	3/3	7,142.28	4/4	1,767.83	1 ⁽¹⁾	35,658.18
Caroline Ven	21,391.36	11/13	3,571.14	2/3		NA	7,142.28	4/4		NA	32,104.78
	235,304.96		19,641.27		19,641.27		35,711.4		8,839.15		319,138.05

(1) These amounts cover all amounts paid in the financial year 2020. Please note that attendance fees are paid in the month following the attended Advisory Committee meeting. This means that the amounts paid out in financial year 2020 relate to attendance to meetings of the Board of Directors or the Advisory Committee meetings held from December 2019 until November 2020

(2) The total number of meetings used as reference in the table depends on the time the concerned director has been appointed as member of the Board of Director or of an Advisory Committee.

Remuneration of the CEO and the Group Executive Committee members

The remuneration package of the CEO¹ and the other members of Group Executive Committee is approved by the Board of Directors on recommendation of the Remuneration and Nomination Committee.

In 2020, the remuneration consisted of:

- a fixed base remuneration;
- a variable short-term incentive;
- pension contributions; and
- various other benefits.

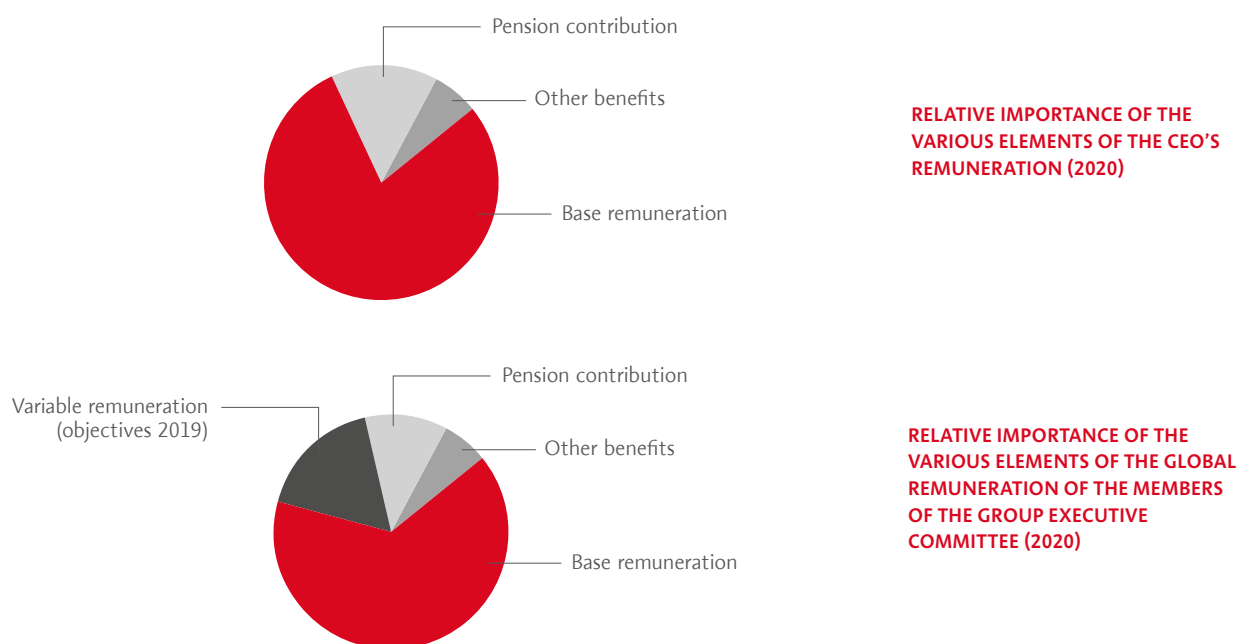
No shares, stock options, or other rights to acquire shares (or other share-based remuneration) were granted to or exercised by the CEO or the other members of the Group Executive Committee, or have expired in 2020. No options under previous stock option plans were outstanding for the financial year 2020.

No substantial changes were made to the remuneration of the CEO and the other Group Executive Committee members compared to the previous financial year.

1 The mandate of Koen Van Gerven as (executive) director and as person vested with the day-to-day management (Chief Executive Officer) of bpost expired on February 26, 2020 and was not renewed. Koen Van Gerven was remunerated as CEO for his two months in office during the financial year 2020. Jean-Paul Van Avermaet was co-opted as member of the Board of Directors with effect as from February 26, 2020 and appointed as CEO by the Board of Directors on recommendation of the Remuneration and Nomination Committee. To ensure a smooth transition, Jean-Paul Van Avermaet joined bpost on January 13, 2020 and was remunerated as from that day.

Regarding the short-term variable incentive, in 2019, the Board of Directors approved a change in the structure of the variable short-term incentive, effective as of 2019 (with payouts in 2020). The target percentage for the variable short-term incentive of the CEO and the other Group Executive Committee remained unchanged. Nevertheless, the bonus structure has moved from a multiplication of the collective and individual target payouts to an additive system. Moreover, the collective objectives have a greater weight than the individual performance targets for the CEO and the other members of the Group Executive Committee. The ratio is 80%-20% for the CEO and 70%-30% for the other members of the Group Executive Committee. Finally, the collective objectives have been segmented for the group and the business units to improve the line of sight.

The relative importance of the various remuneration components of the CEO and Group Executive Committee members is illustrated in the graphs below.



Base remuneration

The base remuneration consists of a fixed base salary defined by the nature and specificities of the functions, granted independently of bpost's results:

- the CEO's base remuneration for the financial year 2020 amounted to 493,007.26 EUR ¹ (gross) (as indexed on April 1, 2020). The CEO did not receive any remuneration for his mandate as member of the Board of Directors;
- the total base remuneration granted to other members of the Group Executive Committee for the financial year 2020 amounted to 3,191.276.42 EUR (gross). The amount of their individual base remuneration reflects the responsibilities and characteristics of the position, the level of experience and the performance of the members of the Group Executive Committee during the past year. It is revised annually based on a benchmark study that covers large Belgian companies so as to offer a total remuneration in accordance with the median on the reference market.

The base remuneration of the CEO was paid monthly, in twelve equal instalments. The other members of the Group Executive Committee were paid in accordance with local law.

¹ Koen Van Gerven's base remuneration for the financial year 2020 amounted to 82,690.80 EUR (gross).

Variable remuneration

In 2020, the CEO and the other members of the Group Executive Committee in Belgium had variable short-term remuneration targets with regard to their performance during financial year 2019 of up to 30% of their annual fixed base remuneration.

The variable short-term incentive was awarded on the basis of the achievement of both collective objectives and individual performance targets, which have been set at the start of 2019.

- The **collective objectives** relate to performance against Key Performance Indicators (KPI's) set by the Board of Directors on recommendation of the Remuneration and Nomination Committee and represent respectively 80% of the CEO's and 70% of the other Group Executive Committee members' variable remuneration (with a minimum of 0% in case of underperformance and a maximum of 200% in case of overperformance). These KPI's include financial and non-financial indicators:
 - **EBIT** (60% for the CEO and 50% for the members of the Group Executive Committee): reflects the group financial results. The financial results applicable to the CEO and the other members of the Group Executive Committee in charge of the support units are linked to the group, while those for the members of the Group Executive Committee in charge of a business unit, are linked, with an equal weight, to the group and business unit. The payout for 2019 was between 90.2% and 100.3%.
 - **Customer Loyalty Index** (10%): reflects the loyalty of bpost's customers. The pay-out for this criterion is equal to the results for the given year. The Customer Loyalty Index for 2019 is composed specifically for the different business and support units of minimum two (2) and maximum five (5) metrics. The results for 2019 reached a payout between 102,0% and 102,2% for this criterion, depending on the area of responsibility.
 - **Short-term Absenteeism Index** (10%): reflects the wellbeing of bpost's staff. The pay-out for this criterion is equal to the results for the given year. The Short-term Absenteeism Index, measured on a quarterly base and specific to the Business unit and Group for 2019 reached a payout of between 0% and 25.7% for this criterion in 2019, depending on the area of responsibilities.
- The **individual performance targets** are defined and agreed on at the beginning of each year (i) between the Board of Directors and the CEO and (ii) between the CEO and each Group Executive Committee member, and represent respectively 20% of the CEO's and 30% of the Group Executive Committee members' variable remuneration.

These individual targets are assessed annually during the first quarter following the end of the financial year, as part of a Performance Management Process ("PMP"). Clear and measurable targets are set, which are to be achieved within an agreed timeframe. The individual performance is measured against these targets and may vary from 0% of the base amount of the short-term variable remuneration in the event of underperformance to 200% in the event of overperformance.

The main individual performance targets to be achieved by the CEO over financial year 2019 were the following:

- achievement of specific financial results set by the Board;
- transformation of bpost into a global e-commerce logistics player anchored in Belgium;
- promotion of sustainability as core value in all bpost group's activities;
- improvement of general employee engagement, quality in execution of public service contracts and customer satisfaction.

The main individual performance targets to be achieved by the other members of the Group Executive Committee over financial year 2019 were the following:

- specific business achievements and development;
- strategic orientation and execution of the transformation plan both abroad and in Belgium;
- team leadership, employee engagement and customer focus.

In 2019, the individual performance targets reached a pay-out of between 110% and 130% for the members of the Group Executive Committee.

The current CEO, Jean-Paul Van Avermaet, did not yet receive a short-term incentive in 2020, as he joined bpost in the course of 2020. His variable short-term incentive for the financial year 2020, if any, will be determined and paid in 2021, based on the achievement of the collective objectives and individual performance targets for the financial year that ended on December 31, 2020.¹

¹ The former CEO, Koen Van Gerven, received, for the achievement of the collective objectives and individual performance targets for the year ended on December 31, 2019, a variable remuneration of 250,000.00 EUR (gross) in 2020.

The other members of the Group Executive Committee received a global variable short-term incentive of 846,379.94 EUR (gross) in 2020 based on the achievement of the collective objectives and the individual performance targets for the year that ended on December 31, 2019. Their variable short-term incentive for the financial year 2020, if any, will be determined and paid in 2021, after the performance assessment of each member of the Group Executive Committee.

Pension contribution

The CEO and the other members of the Group Executive Committee have a complementary pension plan (second pillar):

- the CEO's pension contribution for the financial year 2020 amounted to 90,842.10 EUR¹;
- the Group Executive Committee's global pension contribution for the financial year 2020 amounted to 459,935.49 EUR.

Other benefits

The CEO and the other members of the Group Executive Committee have received other benefits, *e.g.*, an insurance covering death-in-service and disability, medical insurance, meal vouchers (except for the CEO) and a company car. These benefits are benchmarked regularly and adapted according to standard practices. The amount of the other benefit amount is set out in the table below.

Overall remuneration

The **total remuneration** paid to the CEO in 2020 amounts to 623,285.02 EUR (compared to 736,325.66 EUR in 2019) and can be broken down as illustrated in the table below.

The **total remuneration** paid to the members of the Group Executive Committee (other than the CEO) in 2020 amounts to 4,791,691.71 EUR (compared to 4,277,964.94 EUR in 2019) and can be broken down as illustrated in the table below:

TOTAL REMUNERATION OF THE CEO AND THE OTHER MEMBERS OF THE GROUP EXECUTIVE COMMITTEE IN 2020								
NAME AND POSITION	FIXED REMUNERATION			VARIABLE REMUNERATION	EXTRAORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION ⁽¹⁾
	BASE SALARY	FEES	OTHER BENEFITS					
Jean-Paul Van Avermaet, CEO	493,007.26 EUR	N/A	39,435.66 EUR ⁽²⁾	0 EUR ⁽³⁾	0 EUR	90,842.10 EUR	623,285.02 EUR	Fixed: 100% Variable: 0%
Group Executive Committee members	3,191,276.42 EUR ⁽⁴⁾	N/A	294,099.85 EUR ⁽⁵⁾	846,379.94 EUR	0 EUR	459,935.49 EUR	4,791,691.71 EUR	Fixed: 82.34% Variable : 17.66%

(1) Fixed pay comprises the fixed remuneration and the pension contributions. Variable remuneration comprises the annual short incentive.

(2) Other benefits of the CEO include: (i) insurance covering death-in-service, disability and medical coverage: 19,593.56 EUR; (ii) representation fees: 3,300.00 EUR; (iii) leasing costs for company car: 16,542.10 EUR.

(3) The CEO, Jean-Paul Van Avermaet, did not receive a variable remuneration during the year 2020. His variable remuneration for the year 2020 will be determined and paid in 2021, based on collective objectives and individual targets for the financial year that ended on December 31, 2020, after the performance assessment completed in 2021.

(4) The base remuneration of the other Group Executive Committee members include end-year bonuses and holiday pay.

(5) Other benefits of the other members of the Group Executive Committee include: (i) insurance covering death-in-service, disability and medical coverage; (ii) representation fees and meal vouchers; (iii) leasing costs for company car.

USE OF CLAWBACK PROVISIONS

There are no specific contractual clawback provisions in favor of bpost for the variable remuneration paid out to the CEO and the other members of the Group Executive Committee.

1 Koen Van Gerven's pension contributions in the financial year 2020 amounted to 13,711.32 EUR.

CHANGES TO THE COMPOSITION OF BPOST'S GROUP EXECUTIVE COMMITTEE – SEVERANCE PAY

The following changes in the composition of the Group Executive Committee occurred in 2020:

- Koen Van Gerven's mandate as Chief Executive Officer and Board of Directors' member expired on February 26, 2020 and was not renewed – as disclosed in the 2019 remuneration report, Mr Van Gerven was entitled to an indexed non-compete remuneration (of 500,000.00 EUR), which lead to a payment of 530,620.49 EUR (gross) in 2020. For further details, please refer to the corporate governance statement in bpost's Annual Report of 2019 available on bpost's website (www.bpost.be);
- Jean-Paul Van Avermaet was appointed as Chief Executive Officer on January 13, 2020 and exercised his function as CEO and member of the Board of Directors as of February 26, 2020. Mr Van Avermaet was remunerated as from January 13, 2020;
- Henri de Romrée, resigned as Director Parcels & Logistics North America and left the Company with effect as from December 31, 2020 – no severance pay was due; and
- Ilias Simpson, was appointed as Director Parcels & Logistics North America and as Group Executive Committee member and was remunerated in that capacity as from December 1, 2020.

Compliance with bpost's remuneration policy, long-term objectives and sustainability

The total amount of remuneration paid out during the financial year 2020 is in line with the principles of bpost's remuneration policy approved at the Shareholders' Meeting of April 25, 2000, as amended from time to time.

The objective of the bpost's remuneration policy is to attract, motivate, and retain the best qualified talents needed to achieve bpost's short-and long-term goals within a coherent framework. The policy is structured in a way which aligns the interests of the bpost's Board of Directors and management with the interests of shareholders, stakeholders and society at large.

The level of the fixed base remuneration ensured, on the one hand, that the bpost group could always rely on a professional and experienced management, even in more difficult times, such as the COVID-19 crisis.

The payment of the short-term incentive, on the other hand, ensured the realization of both financial (EBIT) and non-financial (customer loyalty and absenteeism) performance criteria that translate the strategy of bpost.

Remuneration of the members of the Board of Directors and of the Group Executive Committee in context

This section places the remuneration of the members of the Board of Directors and of the Group Executive Committee and its development over time in the broader context of the average remuneration of bpost's employees (on a full-time equivalent basis) and of bpost's performance. The following table gives an overview of the evolution in time over the last five years of the total remuneration of the members of the Board of Directors of the Group Executive Committee. The table further displays this evolution in the broader context of the average remuneration of bpost's employees (on a full-time equivalent basis) and the overall annual performance criteria.

The methodology used for the calculation of the remuneration average (on a full-time equivalent basis) of the employees is the following: the gross sum of the monthly salary, annual bonus, other benefits, divided by the total number of employees on a full-time equivalent basis.

	FY 2016	% CHANGE	FY 2017	% CHANGE	FY 2018	% CHANGE	FY 2019	% CHANGE	FY 2020
BOARD OF DIRECTORS AND MANAGEMENT REMUNERATION⁽¹⁾									
Board of Directors members' global remuneration	330,694.58 EUR	6%	350,614.14 EUR	-5.4%	331,510.77 EUR	17%	388,123.43 EUR	-17.8% ⁽²⁾	319,138.05 EUR
CEO's global remuneration	829,420.12 EUR	2.3%	848,843.1 EUR	6.3%	902,123.95 EUR	-18%	736,325.66 EUR	-15.4%	623,285.02 EUR
Other Group Executive Committee members' global remuneration	2,721,432.99 EUR	18.8%	3,232,267.22 EUR	35% ⁽³⁾	4,363,457.84 EUR	4%	4,277,964.94 EUR	10.7%	4,791,691.71 EUR ⁽⁴⁾
COMPANY PERFORMANCE									
Financial metric (Adjusted EBIT)	496,549,055.56 EUR	1%	501,646,889.79 EUR	-15%	424,261,989.47 EUR	-27%	310,805,491.40 EUR	-9.7%	280,573,881.37 EUR
Total operating income	2,425,200,000.00 EUR	24.7%	3,023,800,000.00 EUR	27.3%	3,850,200,000.00 EUR	-0.3%	3,837,800,000.00 EUR	8.3%	4,154,600,000.00 EUR
Customer Loyalty Index	79.55	-13%	69.5%	-17%	57.95%	73% ⁽⁵⁾	100.17%	-8.2%	91.95%
Short-term Absenteeism Index					4.37%	3%	4.52%	9.7%	4.96% ⁽⁶⁾
AVERAGE REMUNERATION ON A FULL TIME EQUIVALENT BASIS OF EMPLOYEES⁽⁷⁾									
Employees of the Company	45,686.00 EUR	2%	46,500.00 EUR	-1%	46,256.00 EUR	2%	47,259.00 EUR	1.8%	48,118.00 EUR

Explanations regarding information included in the above table can be found below:

- (1) The total remuneration of the members of the Board of Directors and of the members of the Group Executive Committee includes the variable remuneration. The total remuneration of the Group Executive Committee also includes severance pays.
- (2) The decrease in the total remuneration of the members of the Board of Directors in 2020 can be explained by the fact that since October 2019, the mandate of one independent director is vacant.
- (3) On November 16, 2017, bpost acquired 100% of the shares of Radial. As from 2018, three additional members joined the Group Executive Committee, including a Director Parcels & Logistics North America remunerated in accordance with US market practices.
- (4) The increase in the total remuneration of the members of the Group Executive Committee (with the exception of the CEO) in 2020 compared to 2019 can be explained by (i) changes in the composition of the Group Executive Committee leading to a higher amount of base remuneration, (ii) an increase in the pension costs, as well as (iii) the improved Company's performance in 2019 compared with the results in 2018 leading to a higher amount of variable remuneration for the performances of the Group Executive Committee's members in 2019 paid in 2020.
- (5) The increase in the Customer Loyalty Index in 2019 can be explained by the good progress of operational indicators linked to mail & parcels delivery as well as by the positive result of the NPS Parcels, an additional criterion taken into account in the determination of the Customer Loyalty Index as from 2019.
- (6) The percentage of 4.96% is the Short-term Absenteeism Index for the full financial year 2020. However, for the calculation of the collective objectives of 2020, only the Short-term Absenteeism Index of Q3 2020 will be taken into account for COVID-19 reasons, i.e. 3.94%.
- (7) The average remuneration of employees of bpost excludes directors, members of the Group Executive Committee and the CEO that would have entered into an employment agreement with the Company.

Remuneration of employees

bpost applies the same principles of remuneration for key management personnel and its employees. Both employees and management have a fixed base remuneration, a variable remuneration and various benefits. The fixed base remuneration component is reviewed regularly. The variable remuneration component depends on key financial (EBIT) and non-financial metrics (i.e. customer loyalty and absenteeism) of bpost. Additional benefits are granted, depending on the qualifications and seniority of the staff.

As Belgium's leading postal operator and a parcels and e-commerce logistics provider in Europe, North-America, and Asia, bpost group employs over 36 291 experienced and talented employees, who are committed to serving bpost's clients and communities. bpost is dedicated to continuing to improve working conditions to promote a collaborative, inclusive and healthy workplace. bpost is convinced that this will help the Company to attract, develop and retain the best talent and capabilities to drive bpost's strategy.

The ratio between the highest remunerated executive and the least remunerated employee (on a full time equivalent basis) within the Company in 2020 was 20.

Information on shareholder vote

The Shareholders' Meeting of May 13, 2020 approved the remuneration report of 2019 with a majority of 73.06%.

Internal control and risk management

bpost's Enterprise Risk Management ("ERM") framework assists bpost in managing risks effectively and in implementing the necessary controls to pursue its objectives. The ERM framework covers: (i) risk management, allowing bpost to take informed decisions on risks it is willing to take to achieve its strategic objectives, thereby taking into account external factors; and (ii) internal control activities, which include all internal policies, procedures and business practices to mitigate risks. Best practices in risk management and internal control activities (e.g., international standard ISO31000) and the Commission on Corporate Governance's directions have been used as references to define the ERM framework.

In general, the objective is to provide a reasonable assurance regarding (i) compliance with applicable laws and regulations, (ii) reliability of financial and non-financial information, and (iii) effectiveness of internal processes. A "reasonable assurance level" is a high, but not an absolute level, given that all internal control systems have limitations linked to, e.g., human error, wrong decisions or choices on cost/benefit of control.

The following description of bpost's internal control and risk management activities is factual and aims to cover the activities' main characteristics.

Control environment

The control environment promotes employee awareness and compliance, defines clear roles and responsibilities, publishes quality guidelines, and demonstrates the commitment of bpost's Group Executive Committee and Board of Directors.

COMMITMENT TO INTEGRITY AND ETHICAL VALUES

"Earning trust" is one of bpost's key values. The Board of Directors and Group Executive Committee have approved bpost's Code of Conduct, which was first issued in 2007 and last reviewed in 2019.

The Code has general principles that describe the values and ethical standards for everybody working in the group and enables appropriate responses in the event that it is not followed. These principles are reinforced by the relevant regulations, policies and procedures that are in place across bpost's businesses, affiliates and ventures. The Code of Conduct is provided to all new employees as part of the onboarding process and systematically introduced in the bpost subsidiaries. It is also made available on bpost's intranet and referred to during trainings. Any violations of the Code of Conduct must be reported to the immediate superior or the reference person of the employee, or to the legal department of bpost, as the case may be.

Furthermore, to comply with insider trading and market manipulation regulations, bpost has adopted a Dealing and Disclosure Code. This Code is amended from time to time to be in line with the most recent market abuse laws and regulations. The Dealing and Disclosure Code aims to create awareness around possible improper conduct by employees, senior employees, and persons discharging managerial responsibilities (being members of the Board of Directors and of the Group Executive Committee) and their associated persons. The Dealing and Disclosure Code contains strict rules on confidentiality, non-use of "price sensitive" information, and dealing restrictions. The rules of this Code have been widely communicated within the Group and the Code is available to all employees, senior employees and persons discharging managerial responsibilities. In conformity with the Market Abuse Regulation of April 16, 2014, persons discharging managerial responsibilities at bpost have been informed of their obligations in relation to insider trading under the Market Abuse Regulation.

COMMITMENT TO CORPORATE GOVERNANCE FOSTERING ACCOUNTABILITY

The Board of Directors supervises the Company's operational management. The Audit Committee advises the Board of Directors on accounting, audit, and internal control matters. Without prejudice to the monitoring role of the Board of Directors, the Group Executive Committee establishes risk management and internal control guidelines and procedures and monitors their effective roll-out. A "three lines of defense" model has been implemented:

- The operational management is responsible for the design and maintenance of risk management and internal controls (first line);
- The second line functions, such as Legal, Compliance, Health & Safety, Security or Integrity, provide expert support to the first line operational management. All second line functions report at least annually to the Group Executive Committee on the risk evolution in their respective domains;
- Finally, Corporate Audit, responsible for the internal audits of bpost Group, constitutes the third line of defense. The Corporate Audit Director reports to the Audit Committee's Chairperson and CEO.

COMMITMENT TO EMPLOYEE DEVELOPMENT AND COMPETENCE

Good leadership is invaluable and generates better results for bpost. To develop skills, bpost has established its own training center. Technical courses are held in the business units (e.g., training on the International Financial Reporting Standards ("IFRS") used to prepare bpost's consolidated financial statement) and ad hoc courses are developed on a need-to-have basis. Personal development is driven by clear job descriptions and a structured bi-annual evaluation. Ad hoc coaching sessions are promoted.

Risk assessment

The purpose of risk management, embedded in the ERM framework, is to deliver a consistent corporate approach and establish a sound risk management culture. Three types of risk management activities are performed. First, a strategic risk assessment takes place as part of the process to define/ revise bpost's strategy. Each Business Unit further assesses its operational risks on a semi-annual basis. Finally, there is risk and internal control management at a process, product or project level. This includes an evaluation of the adequacy of the most important internal controls to mitigate risks at a process, product or project level. The same structured risk management process is applied to the following three types of risk activities:

- Identification of the risks that may have an impact on realizing the objectives;
- Assessment of risks in order to prioritize them;
- Decision on risk responses and action plans to address key risks;
- Monitoring action plan implementation and overall risk evolutions and identification of emerging risks.

The coherence of the three different types of risk activities is ensured by using a single framework of risk evaluation criteria to assess the risks. This ensures the right risks are circulated, both top-down and bottom-up.

More information can be found in the "Risk Management" section of the annual report (note 6.5).

Control activities

IN GENERAL

Policies and procedures are established for the key processes (accounting, procurement, investments, treasury, etc.). They are subject to regular controls. Internal controls are monitored where relevant.

All Group companies use an Enterprise Resource Planning ("ERP") system or accounting software to support efficient processing of business transactions, to perform accounting and to deliver data for consolidation. These systems provide management with transparent and reliable information it needs to monitor, control, and direct business operations. A close monitoring of potential conflicts of separation of duties in the ERP system is carried out on a regular basis. bpost has established management processes to ensure the implementation of appropriate measures on a daily basis to sustain the performance, availability and integrity of its IT systems. The adequacy and effectiveness is monitored through internal service level agreements as well as periodic performance and incident reporting to the different Business Units involved.

Specifically related to the financial statements

Systematic and structured finance processes ensure a timely and qualitative reporting. These processes include the following main activities or controls:

- Careful and detailed planning of all activities, including owners and timing;
- Communication by the Group Finance Department prior to the closing of guidelines, including on all IFRS accounting principles, to be applied by all legal entities and operating units;
- Separation of duties between the accounting teams in the different legal entities actually performing the accounting activities and the departments responsible to review the financial information. The review is performed more specifically by (i) financial business partners responsible, inter alia, for the review of financial information in their area of responsibility, and (ii) the Group Finance Department, which is responsible for the final review of the financial information of the different legal entities and operating units and for the preparation of the consolidated financial statements;
- Systematic account justification and review after the closing triggering follow-up and feedback of the timelines, quality and lessons learned in order to strive for continuous improvement.

Information and communication

The Internal Communication department uses a wide variety of tools, such as the Company's intranet and employee newsletters, to circulate messages in a structured and systematic way both from top management and operational level.

Financial and performance information is shared between operational and financial management and the Group Executive Committee. Besides the monthly reporting analysis prepared by the financial business partners, the Group Executive Committee conducts a thorough quarterly review of the different Business Units' performance.

Proper assignment of responsibilities and coordination between the relevant departments ensures an efficient and timely communication process for periodic financial information. The Group Finance Department communicates on a regular basis all IFRS accounting principles, guidelines and interpretations, to be applied by all legal entities and operating units, to the accounting teams of the different legal entities and operating units.

Externally, the Press Relations, Public Affairs and Investor Relations departments manage stakeholders, e.g. press, public authorities and the financial community. These departments centralize and validate external communications with a potential impact at Group level. This includes, but is not limited to, financial information.

Financial information is made available to the market on a quarterly, semi-annual and annual basis. Prior to external publication, financial information is subject to (i) an extensive internal validation process, (ii) review by the Audit Committee, and (iii) approval by bpost's Board of Directors.

Monitoring

CORPORATE AUDIT (INTERNAL) AND JOINT AUDITORS (EXTERNAL)

bpost has a professional internal audit department that works in line with the Institute of Internal Auditors' standards. The department is subject to an external quality review every five years. Corporate Audit conducts an annual risk assessment with a semi-annual revision to determine the audit program. Via its audit assignments, Corporate Audit provides reasonable assurance on internal control effectiveness in the different processes or projects reviewed.

The Joint Auditors provide an independent opinion on the full year statutory and consolidated financial statements. They perform a limited review on the half-year interim condensed financial statements. In addition, they review material changes to the IFRS accounting principles and evaluate the different identified key controls on the processes that support the set-up of the financial statements.

AUDIT COMMITTEE AND BOARD OF DIRECTORS

The Audit Committee advises the Board of Directors on accounting, audit, and internal control matters.

To do so, the Audit Committee receives and reviews:

- All relevant financial information to enable the Audit Committee to analyze the financial statements;
- The quarterly treasury update;
- Any significant change of the IFRS accounting principles;
- Relevant findings resulting from the activities of the Corporate Audit Department and/or the Joint Auditors;
- The Corporate Audit's semi-annual status report on the follow-up of audit recommendations and annual activity report;
- The Group Executive Committee's annual conclusion on the effective execution of bpost's risk management and internal control activities as well as periodic information on the main business and related risk evolutions.

The Board of Directors ultimately ensures the establishment of internal control systems and procedures. The Board of Directors monitors the functioning and adequacy of the internal control systems and procedures, considering the Audit Committee's review, and takes the necessary measures to ensure the integrity of the financial statements. A procedure is in place to convene bpost's appropriate governing body on short notice if and when circumstances so dictate.

More detailed information on the composition and functioning of the Audit Committee and the Board of Directors is included in the section of this Corporate Governance Statement on the Board of Directors and the Audit Committee.

Diversity

Creating a culture of Diversity and Inclusion

bpost is a highly diverse company in terms of its workforce and is committed to creating and supporting a collaborative workplace culture. Such a diverse environment allows the group to optimize interaction with its customers and stakeholders, and respond to challenges in different and efficient ways.

In that context, bpost has designed a Diversity Policy (available on bpost's website) aimed at creating diversity and inclusion awareness within the group. The purpose of this Diversity Policy is to support bpost employees and management in building a culture where diversity and inclusion are a daily practice.

The program focuses on engagement, awareness, and involvement. The Board of Directors sets the tone at the top and is the true sponsor of the diversity and integration workshops organized for teams investing in diversity and inclusion awareness and/or dealing with specific topics within the diversity and inclusion framework.

Diversity within the Board of Directors and the Group Executive Committee

bpost adheres to the view that diversity of competences and views of the Board of Directors and Group Executive Committee facilitates a good understanding of the business organization and affairs. It enables the members to constructively challenge strategic decisions, ensure risk management awareness, and be more open to innovative ideas.

bpost complies with the provisions of Article 7:86 of the Belgian Code of Companies and Associations in terms of gender diversity, but the Diversity Policy for the members of its management goes beyond this strict legal minimum.

In the composition of the Board of Directors and Group Executive Committee, special attention is paid to diversity in terms of criteria such as age, professional background, gender, and geographic diversity. When considering candidates for vacancies, the Remuneration and Nomination Committee takes into account balanced scorecards of such diversity criteria.

Diversity aspects that are taken into account in relation to the bpost Board of Directors and Group Executive Committee members are the following:

- **Gender:** gender diversity promotes a better understanding of the market place, increases creativity, produces more effective leadership and promotes effective global relationships. To achieve greater gender diversity within its management, bpost aims to (i) identify potential female talents at an early stage, (ii) provide opportunities that allow women to reach their full potential, (iii) enroll women in development programs that prepare them for management roles.
- **Age:** age diversity in the workplace is part of the human capital and provides a larger spectrum of knowledge, values, and preferences. Such age-diverse management will provide a more dynamic environment with continuous movement. To achieve age diversity, bpost aims to ensure that its management counts (i) older talents, with breadth and depth of work experience, and (ii) high-potential younger talents who are eager to learn.
- **Professional background:** to stay competitive in a changing environment, bpost must attract and retain talent with diverse professional backgrounds. Diversity of professional backgrounds provides bpost with a range of expertise and experience necessary to respond to the complex challenges it faces. To achieve professional background diversity within its management, bpost aims to identify people who (i) have distinct professional backgrounds, and (ii) come from various sectors at different points in their career.
- **Geographic diversity:** geographic diversity is significant and positively correlated with firm performance, especially in increasing business and strategy internationalization. To stimulate geographic diversity, bpost takes into account foreign elements in the profile and the path of its candidates.

The Board of Directors assesses annually whether diversity within the bpost management has improved.

Diversity aspects Implementation & outcome

On December 31, 2020, the outcome of diversity aspects in relation to the bpost Board of Directors and Group Executive Committee members is the following:

