

Corporate 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 “**BCCA**”), the Articles of Association, and the Corporate Governance Charter.

As a limited liability company under public law, bpost is governed by the BCCA, 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 has set up a **Strategic Committee**, an **Audit Committee**, a **Remuneration and Nomination Committee** and an **ESG Committee** to assist and make recommendations to the Board of Directors.
- An **Ad Hoc Committee** consisting of at least 3 independent directors of the Board of Directors, which is established and intervenes if and when the procedure prescribed by Article 7:97 of the BCCA, as incorporated in bpost’s Corporate Governance Charter must be applied
- 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 June 16, 2021.

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 BCCA;
- 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.

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.

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 2021, bpost complied with the Corporate Governance Code, with the exception of the following 4 deviations:

- The Corporate Governance Code (provision 5.6) states that the term of a board mandate should not exceed 4 years. However Dirk Tirez was appointed at the Shareholders’ Meeting of September 15, 2021 as director for a term ending after 6 years as from July 1, 2021. Linking his board mandate to his mandate as CEO, instead of setting a term of 4 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, 6 of the 12 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 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 package². 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 4 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 BCCA (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

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

² For the member of the GEC located in the United States, the portion of variable remuneration is higher in line with local market practices.

any case, the Board of Directors must comprise at all times at least 3 directors fulfilling the general independence criterion laid down in Article 7:87 of the BCCA, 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 BCCA, 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 BCCA); 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.

The Board of Directors was, per December 31, 2021, composed of the following 12 members:

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	MANDATE EXPIRES
AUDREY HANARD ^{(1) (2)}	Chairperson of the Board and Non-Executive Director	2021	2025
DIRK TIREZ	CEO ⁽³⁾ and Director ⁽⁴⁾	2021	2027
LIONEL DESCLÉE ⁽¹⁾	Independent Director	2021	2025
JOS DONVIL ⁽⁶⁾	Non-Executive Director	2017	2025
MOHSSIN EL GHABRI ⁽¹⁾	Non-Executive Director	2021	2025
LAURENT LEVAUX ⁽⁷⁾	Non-Executive Director	2012 ⁽⁸⁾	2023
JULES NOTEN ⁽¹⁾	Independent Director	2021	2025
SONJA ROTTIERS ⁽¹⁾	Independent Director	2021	2025
RAY STEWART ⁽⁵⁾	Independent Director	2014	2022
MICHAEL STONE ⁽⁵⁾	Independent Director	2014	2022
CAROLINE VEN ⁽⁷⁾	Non-Executive Director	2012 ⁽⁸⁾	2023
SONJA WILLEMS ⁽¹⁾	Independent Director	2021	2025

(1) Appointed by the Shareholders' Meeting held on May 12, 2021.

(2) Appointed as Chairperson by a Board of Directors decision of May 12, 2021.

(3) Appointed as CEO by a Board of Directors decision of July 12, 2021 with effect as from July 1, 2021.

(4) Appointed by the Shareholders' Meeting held on September 15, 2021.

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

(6) Appointed by the annual Shareholders' Meeting held on May 10, 2017. His mandate was renewed by the Shareholders' Meeting held on May 12, 2021.

(7) Appointed by the annual Shareholders' Meeting held on May 8, 2021.

(8) 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 2021:

- On March 14, 2021, the Board of Directors decided to terminate, with immediate effect, the collaboration with Mr. Jean-Paul Van Avermaet in his function of CEO of bpost and to suspend Mr. Van Avermaet as board member of bpost in the interest of the Company.
- On March 16, 2021, upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided to appoint Mr. Dirk Tirez as CEO ad interim with immediate effect.
- Mr. François Cornelis resigned as independent director with effect from March 31, 2021.
- On May 5, 2021, Ms. Anne Dumont resigned as director with effect from the Shareholders' Meeting of May 12, 2021.
- The mandate of (i) Ms. Filomena Teixeira, (ii) Ms. Saskia Van Uffelen, (iii) Mr. Jos Donvil and (iv) Ms. Bernadette Lambrechts expired at the Shareholders' Meeting of May 12, 2021.
- At the annual Shareholders' Meeting of May 12, 2021, the shareholders decided to:
 - terminate the mandate of Mr. Jean-Paul Van Avermaet as director with immediate effect;
 - upon proposal of the Belgian State in accordance with its nomination right, (i) renew the mandate of Jos Donvil and (ii) appoint Mr. Mohssin El Ghabri and Audrey Hanard as non-executive directors for a term of 4 years;
 - appoint Mr. Lionel Desclée, Mr. Jules Noten, Ms. Sonja Rottiers and Ms. Sonja Willems as independent directors for a term of 4 years.
- On July 12, 2021, upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided to appoint Mr. Dirk Tirez as CEO of the Company with effect as from July 1, 2021.

- At the Extraordinary Shareholders' Meeting of September 15, 2021, upon proposal of the Belgian State in accordance with its nomination right and upon recommendation of the Remuneration and Nomination Committee, the shareholders decided to appoint Mr. Dirk Tirez as director for a term ending after 6 years as from July 1, 2021.

At the Shareholders' Meeting of May 11, 2022, the mandate of Ray Stewart and Michael Stone, 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 11, 2022 to replace the directors whose mandate 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 BCCA 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 2021, the Board of Directors met 16 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 acquisitions, 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 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 BCCA, the below directors declared to the Board of Directors to have a personal conflict of interest of patrimonial nature in connection with agenda items. They informed bpost's Chairperson and Auditors of the conflict of interest and decided not to participate in the deliberation or voting on this item.

The relevant Board of Directors' minutes are the following:

1. Jean-Paul Van Avermaet during the Board of Directors' meeting of February, 2021:

"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 relating on his performance feedback. 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.

In the absence of the CEO and the Company Secretary, [the executive search firm] presented the performance feedback of the CEO. The Board discussed the report and took further note of it and it was agreed that the Chairman would address the feedback and the results of the Board discussion directly with the CEO".

2. Jean-Paul Van Avermaet during the Board of Directors' meeting of March 9, 2021:

"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 relating on his 2020 performance. 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.

In the absence of the CEO who declared to have a conflict of interest and did not participate in the deliberation and decision of his performance, the Chairman reported on the recommendation of the Remuneration & Nomination Committee. The Board of Directors proceeded with the annual performance of the CEO."

3. Jean-Paul Van Avermaet during the Board of Directors' meeting of March 14, 2021:

"The Board of Directors was convened as a matter of urgency by the Company Secretary by e-mail on 14 March 2021 at the request of the Chairman in order to deliberate and decide on the termination of the mandate of Mr. Jean-Paul van Avermaet as Chief Executive Officer in charge of daily management and the suspension of his mandate as member of the Board until the Shareholders' Meeting of 12 May 2021 .

On the same day, Mr. Van Avermaet informed the Chair that he is conflicted within the meaning of article 7:96 of the Code of Companies and Associations with regard to the sole item on the agenda of today's meeting, so that he will abstain from participating to the Board. Mr. Van Avermaet was duly informed about the purpose of the meeting and the reasons underlying the proposal to terminate his mandate as Chief Executive Officer and to temporarily suspend his mandate as director nominated by the Belgian State and has been provided in the past the opportunity to give his views.

The Chairman recalled the facts and their chronology in this matter and informed the Board of the content of the letter of 14 March 2021 from the Belgian State, majority shareholder of the Company. He confirmed that the Remuneration and Nomination Committee (the members of which are all present) have given the urgency not been able to meet but all of them are present and expressed their views.

On that basis, in the best interest of the Company, in order to urgently restore confidence in its leadership by the Company's stakeholders (in particular its shareholders, the public authorities, personnel, creditors, business partners and the financial markets) the Board therefore decided to terminate the mandate of Mr. Van Avermaet as Chief Executive Officer with immediate effect. For the avoidance of doubt, the Board confirmed that this termination also relates to his executive roles in other entities of the Group.

The Board is of the opinion that, having regard to the termination of his mandate as Chief Executive Officer in the present circumstances, it is likewise in the best interest of the Company to suspend Mr. Van Avermaet as a member of the Board. This decision will be submitted for confirmation to the General Assembly, at the latest at the occasion of the annual general meeting to be held on 12 May 2021. The Chair reminds the Board of the tact that Mr. Van Avermaet does not receive any remuneration as a director. The Board noted that the appointment and dismissal of Directors is an item on the agenda of the annual shareholder's meeting of 12 May 2021.

Upon recommendation of the members of the Remuneration and Nomination Committee, the Board decided with unanimous vote (i) to terminate Mr. Van Avermaet as CEO and (ii) to suspend his mandate as director and submit the suspension of his mandate as director for confirmation at the annual shareholders' meeting. This decision will be notified to Mr. Van Avermaet. The Board also approved the press release attached.

The Board decided to entrust the powers of daily management to the Chairman of the Board and requested him to continue to implement the Company's strategy unabatedly."

Transactions between bpost and its majority shareholder or other related parties

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

In 2021, bpost applied the aforementioned procedure in the context of the extension of the 6th Management Contract and negotiation and approval of the 7th Management Contract with the Belgian State. The announcement regarding the transaction is publicly available on the bpost website¹.

1 <https://press.bpost.be/government-approves-seventh-management-contract-with-bpost>

Committees of the Board of Directors

The Board of Directors has established 4 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 BCCA), the Remuneration and Nomination Committee (in accordance with Article 7:100 of the BCCA) and the ESG Committee. The terms of reference of these Board Committees are set out in the Corporate Governance Charter. These Board Committees are advisory committees and strategic decision-making remains the responsibility of the Board of Directors as a whole.

Strategic Committee

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

- regularly review industry and market developments against the objectives and strategies of bpost and its subsidiaries and recommend corrective actions if required;
- review risks and opportunities of the strategy as identified by the Company's strategic risk assessment and other key factors, such as: 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 shareholders;
- review the business plan submitted each year by the Group Executive Committee and monitor alignment with the agreed strategy;
- provide guidance, and support to management for the strategic planning process and prepare the implementation plan and appropriate milestones and Key Performance Indicators (KPIs) with management for approval by the Board of Directors;
- review strategic transactions or initiatives proposed by the Board of Directors, CEO or Group Executive Committee, including acquisitions and divestitures, strategic alliances or any longer-term cooperation agreements, and the entry into new markets or geographic areas;
- monitor the progress of strategic projects and initiatives and of the business plan in line with the Company's progress against strategic objectives, using predefined and agreed KPIs and provide feedback and recommendations to the Board of Directors on the results and on corrective actions if required;
- review the results of strategic transactions (e.g., acquisitions, mergers, disposals) against the foreseen value of the transaction to the Company and recommends action to the Board of Directors as required;
- 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 6 directors. The Strategic Committee's Chairperson is designated by the Strategic Committee's members.

The Strategic Committee was, per December 31, 2021, composed of the following 6 members:

NAME	POSITION
MICHAEL STONE (CHAIRPERSON)	Independent Director
LIONEL DESCLÉE	Independent Director
JOS DONVIL	Non-Executive Director
JULES NOTEN	Independent Director
DIRK TIREZ	CEO and Director
CAROLINE VEN	Non-Executive Director

The Strategic Committee met 4 times in 2021.

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 independence of the Joint Auditors, especially in view of the provisions of the BCCA;
- proposing candidates to the Board of Directors for the 2 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 Executive.

The Audit Committee consists of maximum 5 non-executive directors, with at least 1 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, 2021, composed of the following 4 members:

NAME	POSITION
RAY STEWART (CHAIRPERSON)	Independent Director
LIONEL DESCLÉE	Independent Director
MICHAEL STONE	Independent Director
SONJA ROTTIERS	Independent Director

The Audit Committee met 4 times in 2021.

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 of Directors candidates to fill vacancies as they arise, thereby considering proposals made by relevant parties, including shareholders;
- nominate candidates for the mandate of member of the Board of Directors (whether or not in application of the nomination right set forth in article 14, §2 of the Articles of Association);
- advise the Board of Directors on the appointment of the Chairperson of the Board of Directors;
- 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 the 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 Board of Directors members;
- 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 its committees;
- explain the remuneration report at the annual Shareholders' Meeting.

The Remuneration and Nomination Committee consists of minimum 3 and maximum 5 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 fulfil their roles effectively.

The Remuneration and Nomination Committee was, per December 31, 2021, composed of the following 5 members:

NAME	POSITION
AUDREY HANARD (CHAIRPERSON)	Chairperson of the Board and Non-Executive Director
JULES NOTEN	Independent Director
LAURENT LEVAUX	Non-Executive Director
RAY STEWART	Independent Director
SONJA WILLEMS	Independent Director

The Remuneration and Nomination Committee met 16 times in 2021.

ESG Committee

The ESG (environmental, social and governance) Committee advises the Board of Directors principally on matters regarding the bpost ESG strategy and activities, including the preparation and implementation of ESG initiatives and supporting bpostgroup in developing a position as a global leader in ESG performance. The ESG Committee shall in particular:

- advise the Board of Directors on the group's global ESG sustainability strategy and reviews on a regular basis the evolution and impact of such strategy;
- make recommendations to the Board of Directors with respect to matters affecting ESG responsibilities and related corporate conduct consistent with the group's ESG strategy;
- assist the management in executing the ESG strategy and implementing the group ESG program and initiatives;
- coordinate and advise on ESG sustainability initiatives and commitments throughout the group and encourage integration of ESG matters into overall business strategy;

- monitor and advise on ESG trends in public policy, regulation and legislation as well as on emerging ESG matters, and advise the Board of Directors on additional actions in response to such trends and/or issues;
- identify the ESG risks and opportunities that may impact the group's ability to create long term value and affect its business, operations, performance and/or reputation;
- advise the Board of Directors on the inclusion of ESG risks and opportunities into the group's long term strategy and development;
- submit the annual sustainability and corporate social responsibility (CSR) report to the Board of Directors;
- assist the bpost Board of Directors, management and communication teams with regard to bpost non-financial disclosure and reporting obligations;
- assist communication teams regarding group's key ESG messages with regard to strategy and long-term value creation and ensure that ESG is properly reflected in financial disclosures and other market communications.

The ESG Committee consists of maximum 6 directors. The ESG Committee's Chairperson is designated by the ESG Committee's members.

The ESG Committee was, per December 31, 2021, composed of the following 5 members:

NAME	POSITION
LAURENT LEVAUX (CHAIRPERSON)	Non-Executive Director
MOHSSIN EL GHABRI	Non-Executive Director
AUDREY HANARD	Non-Executive Director
CAROLINE VEN	Non-Executive Director
SONJA WILLEMS	Independent Director

The ESG Committee met 3 times in 2021.

Executive Management

CEO

The current CEO, Dirk Tirez, was appointed for a term of six years by the Board of Directors upon recommendation of the Remuneration and Nomination Committee, until June 30, 2027.

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 9 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, 2021, composed of the following members:

NAME	FUNCTION
DIRK TIREZ	Chief Executive Officer
MARK MICHIELS	Chief Human Resources & Organization
LUC CLOET	CEO Belgium
KATHLEEN VAN BEVEREN	Director Parcels & Logistics Europe and Asia

Pursuant to his retirement, Luc Cloet terminated his function as CEO Belgium as of December 31, 2021.

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, 2021, 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, Ross Hurwitz, who is also bpost’s Chief Legal Officer and Group Executive Committee Secretary. He was appointed in such qualities on September 23, 2021.

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, 2021:

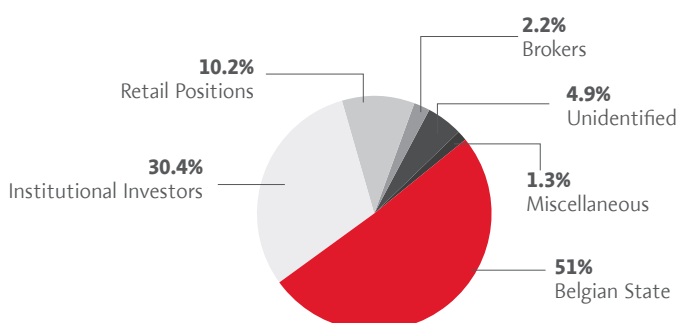
- EY Réviseurs d’Entreprises–Bedrijfsrevisoren SRL/BV (“**EY**”), represented by Mr. Han Wevers (member of the Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren), De Kleetlaan 2, 1831 Diegem, Belgium (its mandate was renewed by the annual Shareholders’ Meeting on May 12, 2021, and will expire after the annual Shareholders’ Meeting to be held in 2024);
- PVMD Réviseurs d’Entreprises- Bedrijfsrevisoren SC/CV (“**PVMD**”), represented by Mr. Alain Chaerels (member of the Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren), Avenue d’Argenteuil 51, 1410 Waterloo, Belgium (its mandate was renewed by the annual Shareholders’ Meeting on May 12, 2021, and will expire after the annual Shareholders’ Meeting to be held in 2024);
- 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 1, 2021 until September 30, 2024).

EY and PVMD are responsible for the audit of bpost’s consolidated financial statements. For the year ended December 31, 2021, EY and PVMD received 1,273,898 EUR (excluding value added tax) in fees for the audit of financial statements of bpost and its subsidiaries and 81,442 EUR (excluding value-added tax) in fees for non-audit services. The two auditors appointed by the Court of Audit received 81,035 EUR in remuneration for their services in connection with the audit of bpost’s non-consolidated financial statements for the year ended December 31, 2021.

Shareholding structure and shareholders rights

bpost’s shares are registered or dematerialized. On December 31, 2021, 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, 2021, 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, 2021**

In 2021, 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 <https://bpostgroup.com/investors/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 December 31, 2021, 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

bpost's remuneration report (the "**Remuneration Report**") is established in accordance with article 3:6, §3 of the Belgian Code of Companies and Associations (the "**BCCA**"), 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 2021. The Remuneration Report also includes tables providing 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 pay-out of the variable remuneration.

1. Procedure for establishing the remuneration policy and setting the individual remuneration of the members of the Board of Directors and Group Executive Committee

In accordance with article 7:89/1 of the BCCA and the Corporate Governance Code, bpost has a specific remuneration policy (the "**Remuneration Policy**") setting out the remuneration principles of (i) the non-executive members of the Board of Directors, (ii) the CEO and (iii) the other members of the Group Executive Committee.

This Remuneration Policy was prepared by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, and approved by the Shareholders' Meeting on May 12, 2021². The Remuneration Policy, together with the results of the shareholders vote, are available on bpost's website³. Any material change to this Remuneration Policy has to be approved by the Shareholders' Meeting, upon recommendation of the Board of Directors and the Remuneration and Nomination Committee. The Remuneration Policy has been applicable since January 1, 2021 and bpost did not deviate from it during financial year 2021⁴.

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

- the non-executive 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 bpost's long-term performance (see [Section 3](#) below).

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**").

This report does not include bpost's Belgian subsidiaries, the remuneration policy of which is in line with the national reference market, or bpost's foreign subsidiaries, whose remuneration policies are in line with local reference markets of relevant companies and aim to attract and retain qualified and experienced directors and managers. In that regard, the Radial Group has its own incentive plan, in accordance with US market practices.

All amounts mention in this report are gross amounts.

2 <https://bpostgroup.com/investors/governance/shareholders-meetings>: the Remuneration Policy was approved by the Shareholders' Meeting on May 12, 2021 with a majority of 91,73% votes in favour and 8,27% votes against.

3 <https://bpostgroup.com/sites/default/files/2021-07/8-bpost-remuneration-policy-en.pdf>

4 The Remuneration Policy has been applicable since January 1, 2021. However, the variable remuneration of the CEO and the other members of the Group Executive Committee relating to the achievement of collective objectives and individual performance targets during the financial year 2020 and paid in 2021 was determined based on the previous remuneration policy, which was applicable until December 31, 2020.

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

A. Remuneration of the non-executive members of the Board of Directors

The remuneration of the members of the Board of Directors (with the exception of the CEO) consists of two elements:

- a monthly fixed fee; and
- an attendance fee for each Advisory Committee¹ 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 fee

During the financial year 2021, the members of the Board of Directors (with the exception of the CEO) received the following monthly fixed fee:

- 3,588.18 EUR for the Board of Directors' Chairperson, who also chairs bpost's Joint Industrial Committee (*Paritair Comité / Commission Paritaire*), as indexed on March 1, 2021;
- 1,794.09 EUR for the other directors (with the exception of the CEO) as indexed on March 1, 2021.

Attendance fees

The members of the Board of Directors (with the exception of the CEO) also received an attendance fee of 1,794.09 EUR per attended Advisory Committee meeting.

Overall remuneration

For the financial year 2021, the overall remuneration paid to all the members of the Board of Directors (with the exception of the CEO) totaled 490,161.55 EUR.

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:

BOARD OF DIRECTORS' MEMBERS	BOARD OF DIRECTORS		STRATEGIC COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		AUDIT COMMITTEE		ESG COMMITTEE		AD HOC COMMITTEE		TOTAL ANNUAL REMUNERATION (EUR)
	AMOUNT (EUR)	MEETINGS (*)	AMOUNT (EUR)	MEETINGS (*)	AMOUNT (EUR)	MEETINGS (*)	AMOUNT (EUR)	MEETINGS (*)	AMOUNT (EUR)	MEETINGS (*)	AMOUNT (EUR)	MEETINGS (*)	
François Cornelis (Chairperson) until March 31, 2021	10,730.46	6/6	n/a		5,373.75	3/3	n/a		n/a		1,785.57	1/1	17,889.78
Lionel Desclée as from May 12, 2021	13,754.69	7/7	3,588.18	2/2	n/a		3,588.18	2/2	n/a		5,382.27	3/4	26,313.32
Jos Donvil	21,512.0	16/16	3,588.18	2/2	16,138.29	9/9	n/a		n/a		n/a		41,238.51
Anne Dumont until May 12, 2021	8,207.62	9/9	3,588.18	2/2	n/a		n/a		n/a		n/a		11,795.80
Mosshin El Ghabri as from May 12, 2021	13,754.69	6/7	n/a		n/a		n/a		5,382.27	3/3	n/a		19,136.96
Audrey Hanard (Chairperson) as from May 12, 2021	27,509.38	7/7	n/a		10,764.54	6/6	n/a		5,382.27	3/3	n/a		43,656.19
Bernadette Lambrechts until May 12, 2021	8,207.62	8/9	n/a		1,794.09	1/1	3,588.18	2/2	n/a		n/a		13,589.89
Laurent Levaux	21,512.04	15/16	1,794.09	1/1	21,529.08	12/14	n/a		5,382.27	3/3	n/a		50,217.48

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

Jules Noten as from May 12, 2021	13,754.69	6/7	3,588.18	2/2	10,764.54	6/6	n/a	n/a	n/a	28,107.41		
Sonja Rottiers as from May 12, 2021	13,754.69	7/7	n/a		n/a	3,588.18	2/2	n/a	7,176.36	4/4	24,519.23	
Ray Stewart (Chairperson from April 1, 2021 until May 12, 2021)	23,904.16	16/16	n/a		19,734.99	11/11	7,176.36	4/4	n/a	8,970.45	5/5	59,785.96
Michael Stone	21,512.04	16/16	5,382.27	3/3	10,764.54	6/6	7,176.36	4/4	n/a	1,794.09	1/1	46,629.30
Filomena Teixeira until May 12, 2021	8,207.62	9/9	3,588.18	2/2	7,167.84	4/4	n/a	n/a	1,794.09	1/1	20,757.73	
Saskia Van Uffelen until May 12, 2021	8,207.62	9/9	n/a		7,167.84	4/4	1,794.09	1/2	n/a	1,794.09	1/1	18,963.64
Caroline Ven	21,512.04	16/16	7,176.36	4/4	n/a	3,588.18	2/2	5,382.27	3	n/a	37,658.85	
Sonja Willems as from May 12, 2021	13,754.69	7/7	n/a		10,764.54	6/6	n/a	5,382.27	3	n/a	29,901.50	
TOTAL	249,796.09		32,293.62		121,964.04	30,499.53		26,911.35	28,696.92		490,161.55	

(*) 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.

B. Remuneration of the CEO and the other members of the Group Executive Committee

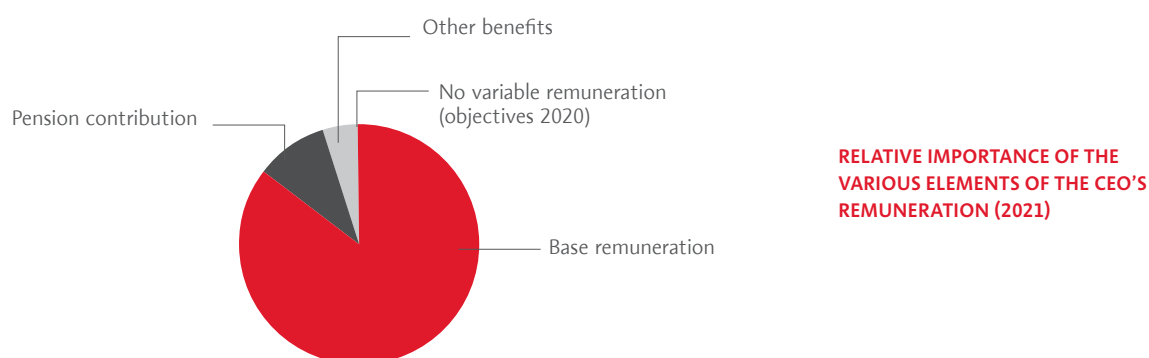
In accordance with the Remuneration Policy, the remuneration package of the CEO¹ and the other members of Group Executive Committee consisted in 2021 of:

- a fixed base remuneration;
- a variable short-term remuneration²;
- pension contributions; and
- various other benefits.

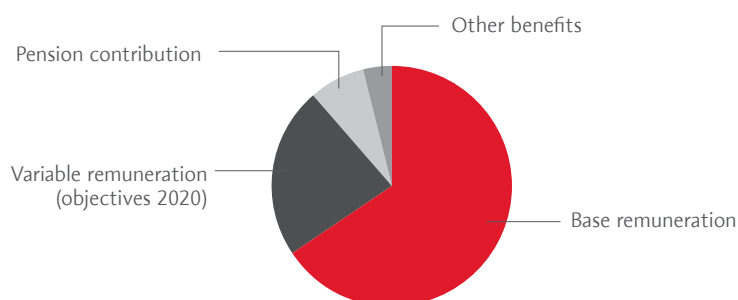
No shares, stock options, or other rights to acquire shares (or other share-based remuneration) were granted to or exercised by the CEO or the other members of the Group Executive Committee, or have expired in 2021. No options under previous stock option plans were outstanding for the financial year 2021.

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

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



- 1 On March 14, 2021, the Board of Directors decided to terminate, with immediate effect, the mandate of Jean-Paul Van Avermaet as CEO of bpost and to suspend his mandate as member of the Board of Directors. The Shareholders' Meeting of May 12, 2021 decided to terminate his mandate as a member of the Board of Directors, with immediate effect. Jean-Paul Van Avermaet was remunerated as CEO until March 14, 2021. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided (i) on March 16, 2021 to appoint Dirk Tirez as CEO ad interim with immediate effect and (ii) on July 12, 2021, to appoint Dirk Tirez as CEO of the Company with effect as from July 1, 2021. Dirk Tirez has been remunerated as CEO as from July 1, 2021. The Shareholders' Meeting of September 15, 2021 decided to appoint Dirk Tirez as member of the Board of Directors for a term ending after 6 years as from July 1, 2021.
- 2 A variable long-term incentive is available but only for the member of the Group Executive Committee located in the United States. See the Remuneration Policy for more information in this respect.



RELATIVE IMPORTANCE OF THE VARIOUS ELEMENTS OF THE GLOBAL REMUNERATION OF THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE (2021)

Base remuneration

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

- the CEO's total base remuneration for the financial year 2021 amounted to 531,028.26 EUR¹ (as indexed on October 1, 2021). The CEO did not receive any remuneration for his mandate as a member of the Board of Directors;
- the global base remuneration granted to other members of the Group Executive Committee for the financial year 2021 amounted to 2,559,639.52 EUR. 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.

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.

The base remuneration 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.

Variable short-term remuneration

The short-term incentive consists of a variable remuneration paid in cash. In 2021, the CEO and the other members of the Group Executive Committee in Belgium had variable short-term remuneration with regard to the performance during financial year 2020 of 30% (at target) of their annual fixed base remuneration. In the case of over-performance, the variable short-term remuneration could exceed 30% and potentially reach a maximum at 60% of their annual fixed base remuneration.

The variable short-term remuneration was awarded on the basis of the achievement of both collective objectives and individual performance targets, which were set at the start of 2020². 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 are segmented for the group and the business units to improve the line of sight.

- The **collective objectives** (80% for the CEO and 70% for the other members of the Group Executive Committee of the total potential variable short-term remuneration at target³) relate to performance against Key Performance Indicators (KPI's) set by the Board of Directors upon recommendation of the Remuneration and Nomination Committee. 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 and business units' 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 pay-out for 2020 was between 114.5% and 141.5%.
 - **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 2020 is composed specifically for the different business and support units of minimum two and maximum five metrics. The results for 2020 reached a pay-out between 89.9% and 93.0% for this criterion, depending on the area of responsibility.
 - **Short-term Absenteeism Index** (10%): reflects the wellbeing or engagement, respectively, of bpost's staff. The pay-out for these criteria 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 reached a pay-out of 60.6% in 2020. Only the Short-term Absenteeism Index for Q3 2020 has been taken into account due to the quarantine impact due to COVID-19.

¹ This total base remuneration includes Jean-Paul Van Avermaet's base remuneration for the financial year 2021 amounting to 123,478.26 EUR.

² The percentages of the financial and non-financial indicators are based on the previous remuneration policy, which was applicable until December 31, 2020, as they relate to the achievement of the collective objectives and the individual performance targets during the financial year 2020.

³ With a minimum of 0% in the case of underperformance and a maximum of 200% in the case of overperformance.

- To ensure a constant alignment to market reality (COVID and best practices, the weight of the non-financial indicators for the collective objectives was slightly adapted. As from January 1, 2022 (for the variable remuneration to be paid in 2023), the Customer Loyalty Index will weigh 20%¹ and the Short-term Absenteeism Index will no longer be taken into account.
- The **individual performance targets** (20% for the CEO and 30% for the members of the Group Executive Committee of the total potential variable short-term remuneration at target²) 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.

These individual targets are assessed annually during the first quarter following the end of the financial year, by the Board of Directors upon recommendation of the Remuneration and Nomination Committee.

Clear and measurable targets are set, which are to be achieved within an agreed timeframe. The individual performance is measured against these targets.

The main individual performance targets to be achieved by the CEO over financial year 2020 were the following:

- achievement of specific financial results set by the Board of Directors;
- transformation of bpost into a global e-commerce logistics player anchored in Belgium;
- promotion of sustainability as core value in all bpostgroup'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 2020 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 2020, the individual performance targets reached a pay-out of between 110% and 140% for the members of the Group Executive Committee.

The current CEO, Dirk Tirez, did not receive a variable short-term remuneration as CEO in 2021 for the financial year 2020, as he was appointed as CEO in the course of 2021³. His variable short term-remuneration for the financial year 2021, if any, will be determined and paid in 2022, based on the achievement of the collective objectives and individual performance targets for the financial year 2021⁴.

The members of the Group Executive Committee received a global variable short-term remuneration of 897,654,35 EUR in 2021 based on the achievement of the collective objectives and the individual performance targets for the year 2020.

The variable short-term remuneration for the achievement of the collective objectives and individual performance targets during the financial year 2021, if any, will be determined and paid in May 2022, after the performance assessment of the CEO and of each member of the Group Executive Committee and disclosed in the remuneration report to be published in 2023.

Pension contribution

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

- the CEO's total pension contribution for the financial year 2021 amounted to 60,961.30 EUR⁵;
- the Group Executive Committee's global pension contribution for the financial year 2021 amounted to 292,149.24 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), representation fees 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 2021 amounts to 620,659.39 EUR (compared to 623,285.02 EUR in 2020) and can be broken down as illustrated in the table below.

1 The Short-term Customer Loyalty Index applicable to the CEO is linked to the group and the one applicable for members of the Group Executive Committee is linked to the business unit(s) they are in charge of.

2 With a minimum of 0% in the case of underperformance and a maximum of 200% in the case of overperformance.

3 In 2021, Dirk Tirez received a variable short-term remuneration based on the achievement of the collective objectives and individual targets as member of the Group Executive Committee (Chief Legal Officer) during the financial year 2020. His variable short-term remuneration as member of the Group Executive Committee is included in the global variable short-term remuneration of the Group Executive Committee paid in 2021.

4 The former CEO, Jean-Paul Van Avermaet, did not receive any variable remuneration for the achievement of the collective objectives and individual performance targets for the year ended on December 31, 2020.

5 This total pension contribution includes Jean-Paul Van Avermaet's pension contributions during the financial year 2021 amounting to 23,866.18 EUR.

The total remuneration paid to the members of the Group Executive Committee (other than the CEO) in 2021 amounts to 3,898,218.66 EUR (compared to 4,791,691.71 EUR in 2020) and can be broken down as illustrated in the table below:

TOTAL REMUNERATION OF THE CEO AND OTHER MEMBERS OF THE GROUP EXECUTIVE COMMITTEE IN 2021						
NAME AND POSITION	FIXED REMUNERATION (EUR)			VARIABLE REMUNERATION (EUR)	TOTAL REMUNERATION (EUR)	PROPORTION OF FIXED AND VARIABLE REMUNERATION ⁽¹⁾
	BASE REMUNERATION	OTHER BENEFITS	PENSION CONTRIBUTION			
Jean-Paul Van Avermaet Former CEO	123,478.26	12,568.71 ⁽²⁾	23,866.18	0	159,913.15	Fixed: 100% Variable: 0%
Dirk Tirez CEO	407,550.00 ⁽³⁾	16,101.12 ⁽⁴⁾	37,095.12	0	460,746.24	Fixed: 100% Variable: 0%
Group Executive Committee members	2,559,639.52 ⁽⁵⁾	148,775.55 ⁽⁶⁾	292,149.24	897,654.35 ⁽⁷⁾	3,898,218.66	Fixed: 77% Variable : 23%

- (1) Fixed remuneration comprises the base remuneration, the other benefits and the pension contributions. Variable remuneration comprises the variable short-term remuneration.
- (2) Other benefits of Jean-Paul Van Avermaet include: (i) insurance covering death-in-service, disability and medical coverage: 5,126.87 EUR; (ii) representation fees: 825 EUR and (iii) leasing costs for company car: 6,616.84 EUR.
- (3) The base remuneration of Dirk Tirez as CEO for the financial year 2021 includes the CEO base remuneration as from July 1, 2021 until December 31, 2021 and an indemnity to cover the period from March 16, 2021 to July 1, 2021 where he was CEO ad interim.
- (4) Other benefits of Dirk Tirez as from July 1, 2021 include: (i) insurance covering death-in-service, disability and medical coverage: 6,130.68 EUR; (ii) representation fees: 1,650.00 EUR; (iii) leasing costs for company car: 8,320.44 EUR.
- (5) The base remuneration of the other Group Executive Committee members include end-year bonuses and holiday pay.
- (6) 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.
- (7) This includes the variable short-term remuneration that Dirk Tirez received during the year 2020 based on collective objectives and individual targets for the financial year 2020 as Group Executive Committee member.

C. 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.

D. 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 2021:

- On March 14, 2021, the Board of Directors decided to terminate, with immediate effect, the mandate of Jean-Paul Van Avermaet as CEO of bpost and to suspend him as member of the Board of Directors. Jean-Paul Van Avermaet was remunerated as CEO until March 14, 2021. A settlement payment (including legal fees) amounting to 520,000 EUR was paid. No severance pay, non-compete remuneration or variable remuneration for the achievement of collective and individual objectives for the year ended on December 31, 2020 were due.
- Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided (i) on March 16, 2021 to appoint Dirk Tirez as CEO ad interim with immediate effect and (ii) on July 12, 2021, to appoint Dirk Tirez as CEO of the Company with effect as from July 1, 2021. Dirk Tirez was remunerated as CEO as from July 1, 2021.
- Ilias Simpson, Director Parcels & Logistics North America, left the Company with effect as from October 31, 2021 – a severance pay of 600,000 USD and an amount of 1.3m USD due upon termination were paid.
- Nico Cools retired as Chief Technology Officer with effect as from August 31, 2021 – no severance pay was due.
- Leen Geirnaerd resigned as Chief Financial Officer and left the Company with effect as from November 14, 2021 – no severance pay was due.
- Luc Cloet retired as CEO Belgium with effect as from December 31, 2021 – no severance pay was due.

On November 9, 2021, upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided to appoint (i) Jean Muls as CEO bpost Belgium and member of the Group Executive Committee and (ii) Nicolas Baise as Chief Strategy & Transformation Officer and member of the Group Executive Committee, both with effect as from January 10, 2022.

In addition to the foregoing, the Board of Directors:

- on December 1, 2021, decided, upon recommendation of the Remuneration and Nomination Committee, to appoint James Edge as Chief Technology Officer and member of the Group Executive Committee with effect as from January 15, 2022;
- on December 1, 2021, took note of the special proxy granted by the CEO to Koen Aelterman as Chief Financial Officer ad interim (in accordance with the bpost delegations of authorities), pending the arrival of the new Chief Financial Officer;
- on January 28, 2022, decided, upon recommendation of the Remuneration and Nomination Committee, to appoint Henri de Romrée as CEO e-Logistics North America and member of the Group Executive Committee with effect as from March 7, 2022;
- on February 24, 2022, decided, upon recommendation of the Remuneration and Nomination Committee, to appoint the following members of the Group Executive Committee: (i) Philippe Dartienne as Chief Financial Officer with effect as from June 2022 and, (ii) Anette Böhm as Chief Human Resources Officer Group with effect as from January 2023 to replace Mark Michiels who will retire as CHRO at the end of 2022.

3. Compliance with bpost's Remuneration Policy, long-term objectives and sustainability

The total amount of remuneration paid out during the financial year 2021 is in line with the principles of the Remuneration Policy approved by the Shareholders' Meeting of May 12, 2021.

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 Remuneration 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 ensures that bpostgroup could always rely on a professional and experienced management, even in more difficult times, such as the COVID-19 crisis;
- the payment of the variable short-term remuneration ensures the realization of both financial and non-financial performance criteria that translate the strategy of bpost.

4. Remuneration of employees

bpost applies the same principles of remuneration for its management and employees: they both 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, absenteeism and employee engagement) 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, bpostgroup 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 executive remuneration and the employee remuneration (on a full time equivalent basis) within the Company in 2021 was 26.

5. Information on shareholder vote

The Shareholders' Meeting of May 12, 2021 approved the remuneration report of 2020 with a majority of 79.82% (19,80% against).

bpost encourages an open and constructive dialogue with its shareholders to discuss its approach to governance, including remuneration.

One concern raised about the bpost Remuneration Policy is that the company is reporting on previous year performance instead of the performance during the reporting year for the payment of the variable short-term remuneration. However, as stated above (see Section 2B), the variable short-term remuneration for the achievement of collective objectives and individual performance targets during the reporting year, if any, are only determined and paid in May of the following year, after the performance assessment of the CEO and of each member of the Group Executive Committee. As a consequence, the amount of the variable short-term remuneration, if any, related to achievement during the financial year 2021 and to be paid in May 2022, are not known on the day of the publication of this Remuneration Report and will be disclosed in the remuneration report to be published in 2023.

6. 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 5 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 sum of the monthly salary, annual bonus, other benefits, divided by the total number of employees on a full-time equivalent basis.

	% CHANGE		% CHANGE		% CHANGE				
	FY 2017	VS FY	FY 2018	VS FY	FY 2019	VS FY	FY 2020	% CHANGE	FY 2021
	(EUR OR %)	2017	(EUR OR %)	2018	(EUR OR %)	2019	(EUR OR %)	VS FY 2020	(EUR OR %)
BOARD OF DIRECTORS AND MANAGEMENT REMUNERATION ⁽¹⁾									
Board of Directors' members' global remuneration	350,614.14	-5.4%	331,510.77	17%	388,123.43	-17.8% ⁽²⁾	319,138.05	53.59% ⁽⁸⁾	490,161.55
CEO's global remuneration	848,843.1	6.3%	902,123.95	-18%	736,325.66	-15.4%	623,285.02	-0.42%	620,659.39
Other Group Executive Committee members' global remuneration	3,232,267.22	35% ⁽³⁾	4,363,457.84	4%	4,277,964.94	10.7%	4,791,691.71 ⁽⁴⁾	-18.65% ⁽⁵⁾	3,898,218.66
COMPANY PERFORMANCE									
Financial metric (adjusted EBIT)	501,646,889.79	-15%	424,261,989.47	-27%	310,805,491.40	-9.7%	280,573,881.37	24.51%	349,346,004.54
Total operating income (adjusted)	3,023,800,000.00	27.3%	3,850,200,000.00	-0.3%	3,837,800,000.00	8.3%	4,154,600,000.00	4.31%	4,333,721,258.15
Customer Loyalty Index	69.5%	-17%	57.95%	73% ⁽⁵⁾	100.17%	-8.2%	91.95%	34% ⁽¹⁰⁾	123.19%
Short-term Absenteeism Index			4.37%	3%	4.52%	9.7%	4.96% ⁽⁶⁾	2.41%	5.08%
Employee Engagement Index									72.4%
AVERAGE REMUNERATION ON A FULL TIME EQUIVALENT BASIS OF EMPLOYEES ⁽⁷⁾									
Employees of the Company	46,500.00	-1%	46,256.00	2%	47,259.00	1.8%	48,118.00	0.1%	48,182.21

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 short-term remuneration. The total remuneration of the Group Executive Committee also includes severance pays, if any.
- (2) The decrease in the total remuneration of the Board of Directors' members in 2020 is explained by the fact that since October 2019, the mandate of one independent director was vacant.
- (3) On November 16, 2017, bpost acquired 100% of the shares of Radial. As from 2018, 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 is 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 short-term 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 is 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 is taken into account due to the quarantine impact due to COVID-19, i.e. 3.94%.
- (7) The average remuneration of employees of bpost excludes directors, members of the Group Executive Committee and the CEO who would have entered into an employment agreement with the Company.
- (8) The increase in the total remuneration of the Board of Directors' members in 2021 is explained by the fact that (i) the number of Board of Directors members was lower in 2020 and (ii) there were a significant number of Remuneration and Nomination Committee meetings in 2021 as a result of the replacement of the CEO and other directors whose mandate terminated.
- (9) The decrease in the total remuneration of the Group Executive Committee is explained by a decreased number of Group Executive Committee members during the financial year 2021.
- (10) The increase in the Customer Loyalty Index in 2021 is explained by progresses and good performance in all indicators composing this Index in the course of the year.

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

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 & Regulatory, Compliance & Data Protection, Safety & Prevention, 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 bpostgroup, 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. A strategic risk assessment takes place as part of the process to define/ revise bpost's strategy. Moreover, 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:

- 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 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, products 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 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 BCCA 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, 2021, the outcome of diversity aspects in relation to the bpost Board of Directors and Group Executive Committee members is the following:

