

Board member profile Pensions and Communications Committee

Stichting Pensioenfonds SABIC

Valid from November 1, 2023

Who are we?

- A company pension fund.
- That administers the pension scheme for most SABIC employees in the Netherlands.
- The pension scheme is a Collective Defined Contribution (CDC) scheme.
- Assets of around 2.8 billion euros at end of July 2023.
- And almost 8,600 members: 35% active members, 40% deferred members, and 25% pensioners.
- With a Board comprised of up to eight equal Board members, two expert Board members, and an independent chairman.
- We are close to our members, recognizable, and approachable.

We are looking for a Board member

- From among pensioners and who has a strong connection with the pensioner community.
- With a passion for pensions.
- Who has a general knowledge pensions, gained through training and preferably also through experience on a pension fund board or accountability council.
- Whose membership of the Pensions and Communication Committee has given them knowledge of and affinity with pension policy, communication policy, actuarial subjects, pension legal issues, and pension and administration agreements.
- Who is a team player and is eager to share their input as a member of the Committee or Board.
- Who has a no-nonsense approach.

Objective

The fund's objective is to ensure the payment of pensions and similar periodic benefits to employees and former employees and their surviving dependents associated with the private company SABIC Europe B.V., SABIC Limburg B.V., SABIC Innovative Plastics B.V., SABIC Global Technologies B.V., SABIC Capital B.V., SHPP B.V., SHPP Sales B.V., and SHPP Global Technologies B.V., in accordance with the pension regulations established by the fund.

Mission

SPF administers SABIC's pension scheme in the Netherlands. Within the chosen risk attitude, SPF strives for the best possible pension results for its members and ensures members are well informed and supported in their pension choices.

Vision

Both the members and social partners of the SPF fund are confident in how the pension schemes are administered. The fund itself also remains close to its members and achieves the best possible pension results. SPF responds to social changes and informs its members proactively and clearly through various means of communication.

Core beliefs

The fund's core beliefs are as follows:

- The fund is close to members, recognizable, and approachable.
- To achieve optimal results for members in combination with acceptable costs.
- An effective Board must make choices based on a balanced consideration of all interests.
- SPF improves the satisfaction of all stakeholders through proactive, transparent, and clear communications.
- Social partners consider SPF to be the preferred partner to administer their pension agreement.
- Responding to social developments helps the Board realize the members' objectives.
- Board members have integrity and expertise, are diverse as a Board, and are a good representation of all stakeholders.

Strategy

In determining its strategy for the coming years, the fund focuses in particular on the details of the Pension Agreement (Pensioenakkoord) This is the fund's top priority as it acts in the interests of the members and all stakeholders. It is essential that the agreement is implemented properly, which is why the Pension Agreement will be a standard item on the Board agenda.

Many subjects are strategically related to the Pension Agreement and will therefore also receive attention in the coming years as the agreement is further developed.

These are:

- Mission and vision
- IT policy
- Continuity and future-proofing
- Socially Responsible Investing
- Embedding and governance of risk management
- Selected Board model

Administration

Almost all executive activities are outsourced to DSM Pension Services (DPS):

- Policy advice
- Administrative support
- Pension administration
- Financial administration
- Asset management

The service level agreement with the administrating organization, DPS, was recently revised and will run for two years from the date of transition to the new pension contract. The intention is to extend the current administration agreement with the employers until the transition date.

The Board uses the services of an external risk advisor and an external investment advisor.

Board model

The fund has an independent chairman, who has no voting rights. The Board adheres to a joint board model and is comprised of the following members:

- At least two, and up to four, members representing employers.
- Two members representing members of the pension scheme.
- Two members representing pensioners.
- Two board professionals.

Board members are appointed according to the joint board model for a term of four years. Members can be reappointed. The maximum term of office of a Board member is, in principle, twelve years. If there are compelling reasons, the Board may extend a Board member's term by up to four years following Supervisory Board approval.

The two external board members and the independent chairman are appointed by the Board for a period of three years, and their term may also not exceed twelve years.

Advisory Committees

The Board has established the following advisory committees:

- The Asset Management Committee
- The Pensions and Communications Committee
- The Risk and Compliance Committee

The fund also has:

- An executive board, which comprises the chairman and the deputy chairman. The executive board prepares governance issues and carries out operational tasks.
- A meeting of the chairs of the executive board involving the executive board and the chairmen of the advisory committees.

The executive board and the committees advise the Board on the policy topics assigned to them. The Board passes resolutions; the committees have no mandate to pass resolutions.

Pensions and Communications Committee

The committee advises the Board on the following topics:

- Pension policy
- Communication policy
- Actuarial topics, including reporting in the annual report
- Legal issues relating to pension policy
- The pension agreement agreed by the social partners
- Changes to the pension regulations and the administration agreement
- Developments in legislation and regulations in the committee's focus area
- Quality and services offered by DPS in the committee's focus area

The Pensions and Communications Committee:

- Takes the initiative in handling and settling complaints and disputes.
- Acts on behalf of the Board in dealings with the Pensions Ombudsman.
- Advises the Board if a complaint or dispute leads to legal proceedings.

Pensions and Communications Committee – Board member profile

Board members have a passion for pensions. When passing resolutions, they weigh up the interests of all stakeholders, ensuring that they feel properly represented on the Board. The Board member is a member of the Pensions and Communications Committee.

Knowledge and experience

Collectively, the Board has up-to-date knowledge relating to:

- Managing an organization.
- Performing in a dynamic environment with various stakeholders (including members, employers, Works Councils, regulators).
- Relevant knowledge of IT and IT governance.
- Actuarial and legal aspects.
- Financial and technical aspects, including financing, asset management, actuarial principles, and reinsurance
- Relevant regulations and legislation, particularly the Pensions Act.
- Pension schemes and types of pension.
- Pension management and administration.
- Outsourcing.
- Communications relating to pensions.
- Administrative organization and internal audits.
- Risk management.

In addition, the candidate must meet the following specific requirements:

- Financial and actuarial knowledge.
- Able to relate both sides of the pension fund balance sheet.
- Knowledge regarding pension management, the implementation of such management, and the risks involved.
- Demonstrable knowledge of current developments and trends in pension management and relevant laws and regulations.
- Able to understand the details of actuarial aspects of the new pension contract
- Knowledge of relevant laws and regulations, communication and pension schemes and pension types.
- Demonstrable knowledge of current developments and trends in communication and relevant laws and regulations.

The candidate must at least have knowledge at suitability level A. In addition, the candidate should be prepared to broaden and deepen their knowledge at suitability level B in due course.

Competencies

As well as knowledge and experience, SPF attaches great importance to finding a Board member who focuses on cooperation and can connect both with other members of the Board as well as with the administrator. A Board member should be able to formulate critical questions, be bold enough to ask them, and be decisive.

A Board member must also be able to properly balance the interests of SPF with those of all stakeholders, have strategic insight, and be aware of political and social relationships.

It is also important that the candidate is persuasive, customer and quality-oriented, and aware of environmental issues. In line with the fund’s mission and vision, the candidate prioritizes members.

The following competencies are present within the Board as a whole, and every Board member should possess these competencies to a greater or lesser extent:

strategic thinking	multidisciplinary thinking and opinion forming
responsibility	ability to reflect
loyalty	ability to work in a team
communicative skills	awareness of their environment
ability to cope with stress	Independence
authenticity	decisiveness
negotiating skills	a focus on clients, quality, and results
strategic guidance	persuasiveness

The following competencies are particularly important for members of SPF’s Board:

- Strategic thinking
Ability to translate future developments and long-term goals realistically into the short-term
Ability to assess risks effectively and determine any necessary control measures.
- Multidisciplinary thinking
Ability to understand cross-disciplinary issues and communicate effectively with other Board members and experts.
- Independence
Ability to assume their own positions and defend them against others when necessary.
- Authenticity
- Ability to work in a team
Ability to prioritize group interests ahead over individual interests
Ability to work with colleagues to achieve a joint result.

Professional conduct and integrity

Professional conduct is mainly related to practical and measurable behavioral aspects. This means being able to demonstrate that the fund’s characteristics are ‘in your genes’ and having a keen awareness of boardroom dynamics, the effect of the ‘tone at the top,’ and the importance of integrity for the reputation and proper functioning of organizations.

Other requirements

Each Board member must also satisfy the following requirements:

- a. Feels involved in the day-to-day business of the organization and is committed to achieving the fund’s objectives (personal ownership).
- b. Adheres the suitability plan applicable to the Board and the Personal Development Plan (PDP) specifically drawn up for him/her.
- c. Is willing to have his/her performance as a Board member assessed.
- d. Complies with the code of conduct applicable to Board members.

- e. Monitors current developments in the area of pensions and is able to understand the consequences these have for the fund.
- f. Attends meetings of the Board and the committees of which they are a member, and contributes constructively during these meetings.

The Fund also values diversity and inclusion. Diversity and inclusion broaden the horizons of different forums and bodies, which increases the likelihood of gaining insights from different perspectives and improves the functioning of these forums and bodies.

Time requirement

The Board member must have demonstrable scope to fill the position, based on the FTE score (0.2) and taking into account the actual work performed by the candidate.

Remuneration

The remuneration is in keeping with the fund's size and complexity. The remuneration is recorded in the Remuneration policy.

Selection and appointment

The Board member should be a match for the Board's collectivity and should add value in terms of knowledge and competencies. The profile according to which the candidate is assessed is submitted in advance to the Supervisory Board for approval. The following process is adhered to during the appointment procedure:

- Elections
Board members are elected from the community of pensioners. They must put themselves forward as candidate in order to run for election. A Selection Committee assesses in advance of the election whether a candidate is a match for the profile.
If several pensioners put themselves forward as candidate, the pensioners will be asked to vote. All pensioners can vote digitally.
The candidate with the most votes will be presented to the Board for appointment.
- Assessment
The Supervisory Board assesses whether the candidate proposed and appointed by the Board meets the profile. Based on the outcome of this assessment, the Supervisory Board can bar the proposed appointment.
- Appointment
The Board then arranges the appointment of a Board member.
- Approval
The Board can only appoint a candidate Board member under the suspensive condition of approval by the De Nederlandsche Bank.

Assessment by De Nederlandsche Bank (DNB)

A Board member will be assessed in terms of their suitability and reliability within the meaning of the 2012 policy regulation on suitability drawn up by De Nederlandsche Bank and the Dutch Authority for the Financial Markets (AFM). This policy rule has recently been reviewed. An appointment is always subject to the approval of De Nederlandsche Bank. One explicit assessment criterion is the time that the proposed Board member has time available for the role, as assessed by the FTE score.

The Board member is appointed following receipt of De Nederlandsche Bank's notice of approval.