



# Net pension regulations

Stichting Pensioenfonds SABIC

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## 1 Definitions

1.1 In these regulations, the following terms have the stated meaning:

<b>Commutation Limit</b>	the amount as referred to in Section 66(1) of the Pensions Act (€484.09 per year – as of January 1, 2019)
<b>State Retirement Age</b>	the age as referred to in Section 7a of the Dutch General Old Age Pensions Act ( <i>Algemene Ouderdomswet, AOW</i> ).
<b>Disability</b>	disability under the Work and Income (Capacity for Work) Act ( <i>Wet werk en inkomen naar arbeidsvermogen, WIA</i> ), insofar as it arises during the employment relationship with the Employer.
<b>Basic Scheme</b>	the pension scheme in the ‘Pension Regulations Stichting Pensioenfonds SABIC’.
<b>Board</b>	the board of the Fund.
<b>Special Net Partner’s Pension</b>	<ul style="list-style-type: none"> <li>the net partner’s pension that would have been received had Membership ended on the Separation Date;</li> <li>the net partner’s pension that is paid for the Former Partner on the Pensioner’s death.</li> </ul>
<b>Collective Allocation Mechanism</b>	the manner in which financial windfalls and setbacks are collectively incorporated in variable net pension benefits.
<b>Member</b>	<ul style="list-style-type: none"> <li>the Employee; or</li> <li>the disabled Employee or Former Employee as referred to in Article 2.3.</li> </ul>
<b>Membership Years</b>	the years between the date on which Membership began and the date on which Membership ended, with due observance of Article 6. Membership Years are precisely defined in days.
<b>Part-Time Employment</b>	when a Member works fewer hours in a year under an employment contract with the Employer than the number of hours worked under a full-time contract of employment based on the Collective Labor Agreement.
<b>Part-Time Factor</b>	the relationship between the number of hours to be worked in Part-Time Employment and the number of hours to be worked in full-time employment based on the Collective Labor Agreement.
<b>Fund</b>	Stichting Pensioenfonds SABIC, with its registered office in Heerlen.

<b>Pensioner</b>	a person to whom a net retirement pension is already being paid.
<b>Deferred Member</b>	a person whose Membership has ended, with due observance of Article 2.2, other than because of death or retirement, and who may derive entitlements from these pension regulations, but for whom no further pension is acquired.
<b>Recovery Plan</b>	the recovery plan as defined in Sections 138 and 139 of the Pensions Act.
<b>Child</b>	the Child who has a relationship under family law with the Member or Deferred Member. The Board is authorized to regard a stepchild or foster child who belonged to the household of a Member or Deferred Member and was supported and brought up by him/her until his/her death, as his/her own Child, unless the Child was taken into the foster parent's family after the Pension Start Date.
<b>Net Pension Life Cycle</b>	the age-related investment mix established by the Board based on which the returns on the net pension capital are awarded in the accrual phrase.
<b>Partner</b>	<ol style="list-style-type: none"> <li>a. the woman or man to whom the Member, Deferred Member, or Pensioner was married before the Pension Start Date;</li> <li>b. the woman or man whose Partnership with the Member, Deferred Member, or Pensioner was registered with the civil registration authorities, in the manner described in the Dutch Civil Code, before the Pension Start Date;</li> <li>c. the Registered Partner.</li> </ol>
<b>Registered Partner</b>	<p>the person with whom the Member, Deferred Member, or Pensioner was living outside of marriage before the Pension Start Date is recognized as the Registered Partner at the Member's or Deferred Member's request if the following conditions are met:</p> <ul style="list-style-type: none"> <li>• the Registered Partner is unmarried, has not entered into a registered Partnership, and is not a direct blood relation of the Member or Deferred Member;</li> <li>• the partners maintain a joint household, as proven by an extract from the population register; the start of the joint household must pre-date the Member's or Deferred Member's Pension Start Date; and</li> </ul>

	<ul style="list-style-type: none"> <li>the Partners have a cohabitation contract drawn up by a notary, containing provisions relating to property law.</li> </ul>
<b>Former Partner</b>	a Partner whose Partnership ended by Separation.
<b>Partnership</b>	the formal relationship of a Member, Deferred Member, or Pensioner with a Partner. For the purposes of these regulations, only one person will be considered a Partner.
<b>Pensioner</b>	a person to whom a pension is being paid under these regulations.
<b>Pension Start Date</b>	the day on which the retirement pension starts, as referred to in Article 5.5 of the Basic Scheme.
<b>Pension Age</b>	for the net retirement pension, this age is 68.
<b>Scheme</b>	the net pension scheme as set out in these pension regulations.
<b>Separation</b>	<p>the termination of the Partnership by:</p> <ul style="list-style-type: none"> <li>dissolution of the marriage through divorce;</li> <li>dissolution of the marriage after legal separation;</li> <li>termination of a registered Partnership;</li> <li>termination of the Partnership with a Registered Partner.</li> </ul>
<b>Separation Date</b>	the date of Separation recorded in the registers of the civil registration authorities, or the date on which cohabitation as defined in this article ends or the cohabitation contract is cancelled as stated in a written notice from the Member, Deferred Member, or Partner
<b>Stable Net pension payment</b>	a fixed benefit as referred to in Section 63(b) of the Pensions Act.
<b>Allocation Group</b>	the group of persons to whom a collective allocation mechanism is applied;
<b>Variable Net Pensionable Salary</b>	the sum of the pay elements summarized in 0.
<b>Fixed Net Pensionable Salary</b>	<p>the sum of the pay elements given in 0 which together amount to <u>more</u> than the limit as referred to in Section 18ga of the Wages and Salaries Tax Act 1964 (€107,593 – as at January 1, 2019).</p> <p>The accrual of net pension is always based on the Fixed Net Pensionable Salary on the</p>

	first day of each month and established on that salary on the basis of full-time pay.
<b>Variable Net Pension Mix</b>	the investment mix established by the Board based on which the returns on the collective capital of the variable pension benefits are awarded in the accrual phrase.
<b>Employer</b>	<ul style="list-style-type: none"> <li>• SABIC Europe B.V., established in Sittard, for Employees employed by SABIC Europe B.V.</li> <li>• SABIC Limburg B.V., established in Sittard, for Employees employed by SABIC Limburg B.V.</li> <li>• SABIC Capital B.V., established in Amsterdam, for Employees employed by SABIC Capital B.V.</li> <li>• SABIC Innovative Plastics B.V., established in Bergen op Zoom, for Employees employed by SABIC Innovative Plastics B.V., and</li> <li>• SABIC Global Technologies B.V., established in Bergen op Zoom, for Employees employed by SABIC Global Technologies B.V.</li> </ul>
<b>Employee</b>	an Employee who is employed by the Employer under an employment contract as defined in Section 7:610 of the Dutch Civil Code.
<b>WIA</b>	Work and Income (Capacity for Work) Act ( <i>Wet werk en inkomen naar arbeidsvermogen</i> )

## 2 Membership

### 2.1 Membership of the Scheme starts:

- a) on the first day of employment, provided that the Employee receives a Fixed Net Pensionable Salary, but not before January 1, 2015;
- b) the day on which the Employee receives a Fixed Net Pensionable Salary,

unless the Employee notifies the Employer with a designated form within one month of the start of Membership that he/she does not wish to be a Member of the Scheme.

### 2.2 Membership of the Scheme ends:

- a) on the last day of the month prior to the month in which the Member will no longer receive Fixed Net Pensionable Salary;
- b) on the first day of the month following the day on which the Member notifies the Employer that he/she wishes to end the Membership, provided that the request for that purpose is communicated to the Employer no later than two weeks before the end of a month using the designated form;
- c) on reaching the Pension Start Date;
- d) on termination of the Member's employment;
- e) on the death of the Member; or
- f) on the date the Member reaches the Pension Age at the latest.

### 2.3 Notwithstanding the provisions of Article 2.2 under d), Membership does not end if a former Employee is entitled to continued non-contributory pension accrual as referred to in Article 19. In that case, Membership ends on reaching the Pension Start Date or as soon as the right to non-contributory pension accrual as referred to in Article 19 ends.

### **3 Description of the pension entitlements**

- 3.1 Subject to the provisions of these regulations, the Scheme gives entitlement to a net pension capital with which the Member or Deferred Member can purchase a variable or stable net pension.
- 3.2 Subject to the provisions of these regulations, Membership grants entitlement to:
- a stable-risk net partner's pension that starts on the Member's death for the Member's Partner;
  - a stable-risk net orphan's pension that starts on the Member's death during Membership for the Member's Child;
  - a waiver of contributions on Disability for the Member.
- 3.3 The part of the regulations that relates to the stable-risk net partner's pension and/or stable-risk net orphan's pension, as referred to in Article 3.2, is a defined benefit agreement as referred to in Section 10 of the Pensions Act.

#### 4 Pension accrual on Fixed Net Pensionable Salary

- 4.1 At the start of Membership, and every month afterwards, the Member owes a contribution on the portion of the Fixed Net Pensionable Salary that is paid monthly. The amount of the contribution depends on the Member's age on the first day of the month in which the contribution is due and is expressed as a percentage of the Fixed Net Pensionable Salary that is paid.
- 4.2 The contribution, as referred to in Article 4.1, is based on the graduated tax scale (Column I) and determined by multiplying the contribution rates in Column II by the Fixed Net Pensionable Salary:

<b>Age classes</b>	<b>Column I</b> Graduated tax scale (% of the Fixed Net Pensionable Salary)	<b>Column II</b> Contribution (% of the Fixed Net Pensionable Salary)
20 through 24	4.4	4.61
25 through 29	5.1	5.35
30 through 34	5.8	6.08
35 through 39	6.7	7.02
40 through 44	7.7	8.07
45 through 49	8.9	9.33
50 through 54	10.2	10.69
55 through 59	11.8	12.37
60 through 64	13.6	14.26
65 through 67	15.1	15.83

- 4.3 If a Member's first day of employment does not fall on the first day of a month, the contribution due for the period, ending on the last day of the first month in which the Employer took up employment, is determined proportionally.
- 4.4 If a Member's last day of Membership does not fall on the last day of a month, the contribution due for the period, ending on the day on which Membership ends, is determined proportionally.
- 4.5 The amount of the risk premium for the stable-risk net partner's pension, as referred to in Article 17, is determined for each Member with due observance of the percentages in 0 on the basis of:
- the Fixed Net Pensionable Salary on the first day of the month for which the contribution is calculated,
  - the Partner's age on the first day of the month for which the contribution is calculated, and
  - the Member's age on the first day of the month for which the contribution is calculated.
- The Board determines the rates in 0 each year.
- 4.6 The risk premium for the stable-risk net orphan's pension, as referred to in Article 18, is 0.04% of the Fixed Net Pensionable Salary.

- 4.7 The risk premium to cover the right to continued non-contributory pension accrual on disability, as referred to in Article 19, is 1.5% of the graduated tax scale, as referred to in Article 4.2 (Column I), multiplied by the Fixed Net Pensionable Salary.
- 4.8 The surcharge that the Member owes on the pension accrual on the Fixed Net Pensionable Salary is 3.3% of the graduated tax scale, as referred to in Article 4.2 (Column I), multiplied by the Fixed Net Pensionable Salary and 3.3% of the risk premium to cover the right to continued non-contributory pension accrual on disability, as referred to in Article 19, as referred to in Article 4.7.
- 4.9 The Fund deducts the risk coverage premiums, as referred to in Articles 4.5, 4.6, and 4.7, and the surcharge, as referred to in Article 4.8, from the contribution payable by the Member, as referred to in Article 4.1. Notwithstanding the previous sentence, the Fund will not deduct the risk coverage premium, as referred to in Article 4.5, from the contribution payable by the Member, as referred to in Article 4.1, if the Member notifies the Fund pursuant to Article 17.2 that he/she does not wish to insure this risk coverage.
- 4.10 The Employer deducts the contribution, as referred to in this article, from the Member's net salary each month and then pays it to the Fund. After deducting the surcharge, as referred to in Article 4.8, and with due observance of the provisions of the second sentence of Article 4.9, the risk coverage premiums payable, as referred to in Articles 4.5, 4.6, and 4.7, the Fund adds the contribution to the Member's net pension capital, after the net pension capital has been adjusted with the investment return, as referred to in Article 7.2. The Scheme complies with the statutory condition that the Employer contributes at least 10% of the contribution.
- 4.11 The Fund holds and administers a net pension capital for each Member and Deferred Member.

## 5 Pension accrual on Variable Net Pensionable Salary

- 5.1 If and for as long as a Member accrues net pension on the Fixed Net Pensionable Salary, he/she may also choose to accrue net pension on the Variable Net Pensionable Salary. The Member must notify the Employer of his/her choice in this regard before December 1 of the preceding year using the designated form. The pension accrual on the Variable Net Pensionable Salary starts on January 1 of the next year. Before December 1 of each year, the Member may revise his/her choice to accrue net pension on the Variable Net Pensionable Salary by notifying the Employer using the designated form.
- 5.2 If a Member chooses to accrue net pension on the Variable Net Pensionable Salary, he/she will owe a monthly contribution as from January 1 after he/she has made the choice, as referred to in Article 5.1, on the portion of the Variable Net Pensionable Salary paid in the month concerned. The amount of the contribution depends on the Member's age on the first day of the month in which the premium is due and is expressed as a percentage of the Variable Net Pensionable Salary that is paid.
- 5.3 The amount of the contribution, as referred to in Article 5.2, is based on the graduated tax scale (Column I) and determined by multiplying the contribution rates in Column II by the Variable Net Pensionable Salary:

<b>Age classes</b>	<b>Column I</b> Graduated tax scale (% of the Variable Net Pensionable Salary)	<b>Column II</b> Contribution (% of the Variable Net Pensionable Salary)
20 through 24	4.4	4.55
25 through 29	5.1	5.27
30 through 34	5.8	5.99
35 through 39	6.7	6.92
40 through 44	7.7	7.95
45 through 49	8.9	9.19
50 through 54	10.2	10.54
55 through 59	11.8	12.19
60 through 64	13.6	14.05
65 through 67	15.1	15.60

- 5.4 The surcharge that the Member owes on the pension accrual on the Variable Net Pensionable Salary is 3.3% of the graduated tax scale, as referred to in Article 5.3 (Column I), multiplied by the Variable Net Pensionable Salary.
- 5.5 The Employer deducts the contribution, as referred to in this article, from the net salary each month and then pays it to the Fund. After deducting the surcharge, as referred to in Article 5.4, the Fund adds the contribution to the Member's net pension capital, after the net pension capital has been adjusted with the investment return, as referred to in Article 7.2. The Scheme complies with the statutory condition that the Employer contributes at least 10% of the contribution.

## **6 Part-Time Membership**

6.1 The following applies to a Member in Part-Time Employment:

- a) the net pension contribution, as referred to in Article 4, is calculated in proportion to the Part-Time Factor applicable to the Member.
- b) if Membership Years are considered when calculating a pension, the number of Membership Years is determined in proportion to the Part-Time Factor applicable to the Member.
- c) if future Membership Years are considered when calculating a pension, the last applicable Part-Time Factor for that period applies, unless the employment contract stipulates that the Part-Time Factor will be subsequently amended. In that case, the amended Part-Time Factor will be used from that time.

## **7 Investing net pension capital**

- 7.1 The Fund invests the net pension capital in accordance with the Net Pension Life Cycle. The net pension capital is invested in the Fund's name, but at the expense and risk of the Member or Deferred Member.
- 7.2 The net pension capital of each Member or Deferred Member is adjusted on the first day of each month by the investment return of the previous month.
- 7.3 The costs of investing the net pension capital are payable by the Member or Deferred Member and set off against the value of the returns achieved.
- 7.4 The Board may always make changes to the Net Pension Life Cycle. Any associated costs will be set off against the value of the investments.

## **8 Choice between a Stable or Variable Net Pension Benefit**

- 8.1 On the Pension Start Date, the Fund requests the Member or Deferred Member to choose between:
- a) using the net pension capital on the Pension Start Date for a Stable Net Pension Benefit; or
  - b) using the net pension capital on the Pension Start Date for a Variable Net Pension Benefit.
- 8.2 The Fund informs the Member or Deferred Member in due time about:
- a) the consequences and risks of choosing a Stable Net Pension Benefit or a Variable Net Pension Benefit;
  - b) the amount of a Stable Net Pension Benefit and a Variable Net Pension Benefit, both based on a pessimistic scenario, an expected scenario, and an optimistic scenario;
  - c) the consequences of not choosing or the late choice of one of the options as referred to in Article 8.1.
- 8.3 The Member or Deferred Member must notify the Fund in writing of his/her definitive choice, as referred to in Article 8.1, using the designated form, no later than two months before the Pension Start Date. The Member or Deferred Member will receive written confirmation of his/her choice from the Fund. It is not possible to combine both options as referred to in Article 8.1.
- 8.4 The default choice of a Member or Deferred Member who does not choose or is late in giving his/her choice in writing, as referred to in Article 8.3, to the Fund, is a Stable Net Pension Benefit. The Fund informs the Member or Deferred Member concerned in writing of this.
- 8.5 The choice that the Member or Deferred Member has communicated to the Fund, in accordance with Article 8.3, or the choice that the Member or Deferred Member is deemed to have made under Article 8.4, is irrevocable.

## 9 Using the net pension capital for a Stable Net Pension Benefit

- 9.1 The net pension capital – as determined under Article 7 on the first day of the month before the Pension Start Date – of the Member or Deferred Member who has chosen a Stable Net Pension Benefit under Article 8.3 or Article 8.4 will be used on the Pension Start Date in a 100:70 ratio for a stable net retirement pension and a stable net partner's pension. The amount of the stable net retirement pension and stable net partner's pension to be purchased will be determined based on the then applicable purchase prices as set out in 0. The Board determines the purchase prices each year.
- 9.2 For the 100:70 ratio between the stable net retirement pension and the stable net partner's pension, as referred to in Article 9.1, the sum of any Special Net Partner's Pension(s) of a Former Partner or Former Partners is included in the stable net partner's pension.
- 9.3 The stable net retirement pension benefit and the stable net partner's pension entitlements, as referred to in Article 9.1, do not in total exceed the maximum pensions as referred to in Article 28.
- 9.4 The net retirement pension benefit follows the choices of the Member or Deferred Member in relation to:
- converting the retirement pension and partner's pension as referred to in Article 10 of the Basic Scheme;
  - allowing the variation of retirement pension benefits as referred to in Article 9 (6) of the Basic Scheme; or
  - choosing part-time pension as referred to in Article 11 of the Basic Scheme.

The stable net retirement pension benefit and the stable net partner's pension entitlements are recalculated, in accordance with the choice of the Member or Deferred Member and with due observance of the provisions of the Basic Scheme on conversion and allowing the variation of the net pension benefit and part-time retirement in the Basic Scheme, based on the factors in 0.

- 9.5 Converting the net partner's pension into net retirement pension or extra net retirement pension on the Pension Start Date, as referred to in Article 9.4 onder a), is possible only with the Partner's written consent. Notwithstanding the provisions of Article 9.1, a stable net retirement pension and a stable net partner's pension are purchased on conversion in the ratio as agreed between the Member or Deferred Member and the Partner.
- 9.6 If the Member or Deferred Member does not have a Partner on the Pension Start Date, the net pension capital will be used, notwithstanding the provisions of Article 9.1, fully and solely for a stable net retirement pension. The amount of the stable net retirement pension to be purchased will be determined based on the then applicable purchase prices as set out in 0. The Board determines the purchase prices each year.
- 9.7 The stable net retirement pension commences on the Pension Start Date and is paid up to and including the last day of the month in which the Pensioner dies.
- 9.8 The stable net partner's pension commences on the first day of the month following that in which the Pensioner dies and is paid up to and including the last day of the month in which the Partner dies.

## 10 Conditional indexation of stable net pension

- 10.1 Annual indexation may be granted on the stable net retirement pension and the stable net partner's pension, as referred to in Article 9, at the level of the indexation that the Funds grants to the Pensioners, as referred to in Article 20.2 of the Basic Scheme. However, the Board decides each year to what extent pension rights and entitlements, as referred to in this paragraph, are to be adjusted.
- 10.2 The conditional indexation, as referred to in Article 10.1, is not financed from the contribution.
- 10.3 The Board decides to grant indexation only if and insofar as it believes the financial means are available to do so. Indexation occurs on January 1 of each year based on the following policy:
- If:
- a) the Policy Funding Level of the Fund is lower than 110%, the Board will not grant indexation;
  - b) the Policy Funding level of the Fund is higher than 110%, the Fund may grant indexation as referred to in paragraph 1 to the extent this is permitted, with due observance of the provisions of Article 15 of the Decree on the Financial Assessment Framework for Pension Funds (*Besluit Financieel toetsingskader pensioenfondsen*).
- The Policy Funding Level on December 31 directly preceding January first on which the indexation is granted is decisive here.
- 10.4 Notwithstanding Article 10.1, if the Fund's commitments regarding the stable net pension increase because of a difference in the increased life expectancy between the Net Pension Scheme Members and the Basic Scheme Members, the conditional indexation, as referred to in Article 10.1, will be reduced until this increase in the commitments for the stable net pension has been compensated.
- 10.5 If the Fund receives a nonrecurring additional payment from the Employer, the Fund will reduce the conditional indexation for the stable net pension, insofar as this payment accrues to the Pensioners of a stable net pension.
- 10.6 The Board reserves the right to adjust all or part of the indexation policy, as established in this article, in accordance with formal requirements for amending regulations described in the articles of association. Future changes in this article will be binding on all Members, Deferred Members, and Pensioners of the Fund.

## 11 Reduction of acquired stable net pension

- 11.1 The Fund will decide to reduce the stable net retirement pension and the stable net partner's pension, as referred to in Article 9, if:
- for five consecutive years, the Fund does not fulfill the requirements established by, or by virtue of, Section 131 of the Pensions Act for the minimum required capital or is unable to meet the requirements established by, or by virtue of, Section 132 of the Pensions Act for the required capital within seven years without disproportionately harming the interests of the Members, Deferred Members, Pensioners, other beneficiaries, or the Employer; and
  - all other available steering instruments, with the exception of the investment policy, have been used in the Recovery Plan.
- 11.2 The reduction of the stable net retirement pension and the stable net partner's pension, as referred to in Article 11.1, will take the form of a fixed discount percentage on all stable net retirement pensions and all stable net partner's pensions, as referred to in Article 9, on the understanding that if the reduction percentage exceeds 10%, the Board will investigate whether and to what extent the portion of the reduction exceeding this 10% should be distributed differently among the Fund's stakeholders.
- 11.3 If the Fund's Policy Funding Level remains below the level specified in Section 131 of the Pensions Act for five consecutive years, the Fund will reduce the stable net retirement pension and the stable net partner's pension to comply with the minimum required capital specified in Section 131 of the Pensions Act. The required reduction will be spread over a maximum of five years, with the Fund striving for a reduction of at least 1% and at most 3% per year.
- 11.4 If the Fund's Policy Funding Level remains below the level as referred to in Section 132 of the Pensions Act and the Fund cannot comply with Section 132 of the Pensions Act within 10 years based on the Recovery Plan, the Fund will proportionally reduce the stable net retirement pension and the stable net partner's pension, as referred to in Article 9, by the reduction required under the Recovery Plan.
- 11.5 If the Fund decides to reduce the stable net retirement pension and the stable net partner's pension, it will inform the Members, Deferred Members, Pensioners, Union Organizations, and the Employer in writing of this decision.
- 11.6 The reduction, as referred to in Article 11.1, cannot be implemented until one month after notice has been given to the Pensioner and/or the Partner of the Pensioner or deceased Pensioner, Union Organizations, the Employer, and the supervisory authority.

## 12 Catch-up indexation on stable net pension

- 12.1 The Board may – to the same extent as in the Basic Scheme – grant catch-up indexation on the stable net retirement pension and the stable net partner's pension, as referred to in Article 9, to compensate indexation not granted in the past, as referred to in Article 10, or to compensate, as referred to in Article 10, reductions of the stable net retirement pension and the stable net partner's pension implemented in the past as referred to in Article 11, if:
- this has no effect on future indexation as referred to in Article 10.3; and
  - the Policy Funding Level remains at least at the level of the required capital.

For the purpose of the catch-up indexation as referred to in this article and the catch-up indexation as referred to in Article 21 of the Basic Scheme, no more than one-fifth of the capital available for catch-up indexation will be used.

- 12.2 Catch-up indexation, as referred to in Article 12.1, will be granted to a Pensioner and/or the Partner of the Pensioner or deceased Pensioner only insofar as that Pensioner and/or Partner of that Pensioner or deceased Pensioner has not been granted indexation or has been granted less indexation, as referred to in Article 10, preceding the moment of catch-up indexation or if his/her pension entitlements and/or rights have actually been reduced, as referred to in Article 11.
- 12.3 The catch-up indexation to be granted to a Pensioner and/or the Partner of the Pensioner or deceased Pensioner, as referred to in Article 12.1, is expressed as a percentage of the indexations not granted in the past and any benefit cuts made in the past. The percentage as referred to in the previous sentence is calculated by dividing the capital available for catch-up indexation, as referred to in Article 12.1, by the value of the indexations not granted in the past and the value of any benefit cuts made in the past as referred to in Article 11. The percentage referred to in the previous sentence never exceeds 100%.
- 12.4 Catch-up indexation affects the stable net retirement pension and the stable net partner's pension, as referred to in Article 9, as of the date on which the catch-up indexation is granted. Catch-up indexations are not paid retrospectively.
- 12.5 The Board reserves the right to adjust all or part of the catch-up indexation policy, as established in this article, in accordance with formal requirements for amending regulations described in the articles of association. Future changes in this article will be binding on all Members, Deferred Members, and Pensioners of the Fund.

### 13 Using the net pension capital for a Variable Net Pension Benefit

- 13.1 The net pension capital – as determined under Article 7 on the first day of the month before the Pension Start Date – of the Member or Deferred Member who has chosen a Variable Net Pension Benefit under Article 8.3 will be used on the Pension Start Date in a 100:70 ratio for a variable net retirement pension and a variable net partner's pension. The amount of the variable net retirement pension and variable net partner's pension to be purchased will be determined based on the then applicable actuarial purchase prices as set out in 0. The Board determines the actuarial purchase prices each year.
- 13.2 For the 100:70 ratio between the variable net retirement pension and the variable net partner's pension, as referred to in Article 13.1, the sum of any Special Net Partner's Pension(s) of a Former Partner or Former Partners is included in the variable net partner's pension.
- 13.3 The variable net retirement pension benefit and the variable net partner's pension entitlements, as referred to in Article 13.1, do not in total exceed the maximum pensions as referred to in Article 28.
- 13.4 The variable net retirement pension benefit follows the choices of the Member or Deferred Member in relation to:
- converting the retirement pension and partner's pension as referred to in Article 10 of the Basic Scheme,
  - choosing an earlier or deferred retirement pension as referred to in Article 9 of the Basic Scheme,
  - choosing a part-time pension as referred to in Article 11 of the Basic Scheme.
- The variable net retirement pension benefit and the variable net partner's pension entitlements are, in accordance with the choice of the Member or Deferred Member and, with due observance of the provisions of the Basic Scheme on conversion and part-time retirement in the Basic Scheme, actuarially recalculated based on the factors in 0.
- 13.5 Converting the variable net partner's pension into variable net retirement pension or extra variable net retirement pension on the Pension Start Date, as referred to in Article 13.4 under a), is possible only with the Partner's written consent.
- 13.6 If the Member or Deferred Member does not have a Partner on the Pension Start Date, the net pension capital will be used, notwithstanding the provisions of Article 13.1, fully and solely for a variable net retirement pension. The amount of the variable net retirement pension to be purchased will be determined based on the then applicable actuarial purchase prices as set out in 0. The Board determines the actuarial purchase prices each year.
- 13.7 The variable net retirement pension commences on the Pension Start Date and is paid up to and including the last day of the month in which the Pensioner dies.
- 13.8 The variable net partner's pension commences on the first day of the month following that in which the Pensioner dies and is paid up to and including the last day of the month in which the Partner dies.

## 14 Performance of the Variable Net Pension

- 14.1 Variable net retirement pension benefits and variable net partner's pension entitlements or benefits are adapted annually to the sum of the results determined by the Board for variable net pension in the Allocation Group during the previous year in relation to:
- the investment return of the Variable Net Pension Mix;
  - the effect of changes in the market rate of interest on the commitments;
  - the mortality result of the Allocation Group for variable net pension (micro longevity risk); and
  - the development of the life expectancy of the Allocation Group for variable net pension (macro longevity risk).
- 14.2 The sum of the results achieved in the previous year determined by the Board, as referred to in Article 14.1, is applied as from January 1 of the following year to the variable net retirement pension benefits and variable net partner's pension entitlements or benefits as of December 31 of the previous year, whereby the result is distributed proportionally over the five subsequent years.
- 14.3 The proportional distribution of the results over the variable pension for a specific year, as referred to in Article 14.2, is effected in proportion to the variable net pension in that year within the Allocation Group for variable net pension.
- 14.4 The Fund informs the Pensioners in the Allocation Group about the amount and development of the variable net retirement pension and the variable net partner's pension each year.

## **15 Termination of Membership before Pension Start Date**

- 15.1 If Membership ends other than because of death or reaching the Pension Start Date, the net pension capital remains invested subject to the provisions of these regulations.
- 15.2 Membership does not end, as referred to in Article 15.1, insofar as there is continued non-contributory pension accrual on disability, as referred to in Article 19. If there is a right to continued non-contributory pension accrual on disability, Membership ends when the right to continuation ends, but no later than on State Retirement Age.
- 15.3 The right to stable-risk net partner's pension, as referred to in Article 17.1, and stable-risk net orphan's pension, as referred to in Article 18.1, ceases to exist on the end of Membership, as referred to in Article 15.1.

## **16 Net partner's pension on death before the Pension Start Date**

- 16.1 If a Member or Deferred Member dies before the Pension Start Date, the net pension capital – as determined under Article 7 on the first day of the month before the Pension Start Date – will be used for a stable net partner's pension for the Partner, if and insofar as this is permitted by tax criteria. The net pension capital is used at the prices as set out in 0. The Board determines the actuarial purchase prices each year.
- 16.2 The stable net partner's pension commences on the first day of the month following that in which the Member or Deferred Member dies and ends on the first day of the month following that in which the Partner dies.
- 16.3 The provisions of Articles 10, 11, and 12 apply by analogy to the stable net partner's pension.

## 17 Risk net partner's pension

- 17.1 The stable net partner's pension, as referred to in Article 16, is supplemented by a stable-risk net partner's pension. The stable-risk net partner's pension is equal to 1.16% of the last Fixed Net Pensionable Salary, after deducting income tax and social insurance contributions, multiplied by the number of Membership Years between the date on which the Member dies and the State Retirement Age of the deceased Member, or until the standard retirement age, as referred to in Section 18a of the Wages and Salaries Tax Act 1964, insofar as this is earlier than the State Retirement Age.
- 17.2 Notwithstanding Article 17.1, the Partner is not entitled to a stable-risk net partner's pension if the Member chooses not to insure the risk partner's pension. The Member notifies the Fund of this choice – no more than once a year – using the designated form. The cover for the stable-risk net partner's pension ends on the last day of the month following the month in which the Member has communicated his/her choice.
- 17.3 The Member may review his/her choice not to insure the stable-risk net partner's pension. The Member notifies the Fund of this choice using the designated form. In that case, the stable-risk net partner's pension is re-insured as of the first day of the month following the month in which the Member has communicated his/her choice.
- 17.4 If the Member dies within one year of communicating his/her choice to the Fund to re-insure the stable-risk net partner's pension, the Partner is entitled to a stable-risk net partner's pension, unless the death of the Member was reasonably expected at the time that the Member chose to insure the risk net partner's pension. The Board is authorized to request an opinion from the Health Data Review Committee before it decides whether to grant a fixed-risk net partner's pension. The opinion of the Health Data Review Committee is binding on the pension fund.
- 17.5 The stable-risk net partner's pension commences on the first day of the month following that in which the Member or Deferred Member dies and ends on the first day of the month following that in which the Partner dies.
- 17.6 The provisions of Articles 10, 11, and 12 apply by analogy to the stable-risk net partner's pension.

## 18 Risk net orphan's pension

- 18.1 The stable-risk net orphan's pension is equal to 0.232% of the last Fixed Net Pensionable Salary, after deducting income tax and social insurance contributions, multiplied by the number of Membership Years between the date on which Membership starts and the State Retirement Age of the deceased Member, or until the standard retirement age, as referred to in Section 18a of the Wages and Salaries Tax Act 1964, insofar as this is earlier than the State Retirement Age.
- 18.2 The stable-risk net orphan's pension starts on the first day of the month following the month in which the Member dies.
- 18.3 The stable-risk net orphan's pension ends on the last day of the month in which the Child:
- a) reaches the age of 18;
  - b) reaches the age of 27, if and for as long as the Child is a student within the meaning of the Study Finance Act 2000 (*Wet studiefinanciering 2000*); or
  - c) dies before the age under a) or b).
- 18.4 The stable-risk net orphan's pension for a Child whose parents have both died is doubled.
- 18.5 The provisions of Articles 10, 11, and 12 apply by analogy to the stable-risk net orphan's pension, as referred to in this article.

## 19 Non-contributory pension accrual on disability

19.1 A Member who is entitled to 'Non-contributory pension accrual on disability', as referred to in Article 15 of the Basic Scheme, is entitled during the period of Disability to continued accrual of the net pension capital in accordance with the age-related graduated contribution scale (Column I), as referred to in Article 4, multiplied by the graduated scale below:

Degree of disability:	Accrual of net pension capital continued for:
35% to 45%	40%
45% to 55%	50%
55% to 65%	60%
65% to 80%	75%
80% to 100%	100%

- 19.2 The non-contributory accrual of the net pension capital, as referred to in Article 19.1, is based on the sum of the pay elements, as summarized in 0 as last applied before the first day of illness ('**Salary**') minus the limit specified in Section 18ga of the Wages and Salaries Tax Act 1964 (€107,593 – as at January 1, 2019). If the Salary is less than the limit specified in Section 18ga of the Wages and Salaries Tax Act 1964 at any time, the non-contributory accrual of the net pension capital, as referred to in this article, will end. If the Salary subsequently exceeds the limit specified in Section 18ga of the Wages and Salaries Tax Act 1964 at any time, and the Member still complies with the conditions as referred to in Article 19.1, the Fund will resume the non-contributory accrual of the net pension capital.
- 19.3 A Member is not entitled to non-contributory accrual of the net pension capital, as referred to in Article 19.1, based on the pay elements as summarized in 0.
- 19.4 As soon as a Member is entitled to non-contributory accrual of the net pension capital, as referred to in Article 19.1, the Salary, as referred to in Article 19.2, will be increased annually by an amount which may not exceed the increase in the consumer price index (CPI - All Expenditure - derived) established by Statistics Netherlands. This indexation is based on the percentage by which the consumer price index increased in the last completed month of October compared to the percentage in October of the previous year. However, the annual indexation of the Salary as referred to in this paragraph cannot exceed the general pay increases at the Employer, which is the average of the pay increases under the Collective Labor Agreements of SABIC Innovative Plastics B.V. and SABIC Limburg B.V. in the period from January 2 of the previous year up to and including January 1 of the year in question.
- 19.5 A Member who is fully or partially disabled upon the start of Membership of the Basic Scheme is not entitled to non-contributory pension accrual of the net pension capital, as referred to in Article 19.1, unless the degree of Disability increases. If the degree of Disability increases during Membership, the Member will be entitled to non-contributory accrual of the net pension capital in proportion to the increase in the degree of Disability.
- 19.6 If the Disability percentage increases or decreases during the employment at the Employer or, if after having been reduced to below 35%, this percentage is increased to 35% or more, the non-contributory accrual of the net pension capital will occur at the then applicable percentage.

- 19.7 If the percentage of Disability increases or decreases after the termination of the employment contract at the Employer or if, having fallen to less than 35%, this percentage increases to 35% or more, the non-contributory accrual of the net pension capital, as referred to in Article 19.1, will be in accordance with the percentage applicable at that time insofar as that percentage does not exceed the percentage of Disability that applied when the employment contract with the Employer was terminated.
- 19.8 An increase or decrease in the applicable percentage begins on the first day of the month following that in which the percentage of Disability changed.
- 19.9 The Partner of a Member who is entitled to non-contributory accrual of the net pension capital retains the entitlement to a stable-risk net partner's pension, as referred to in Article 17.1, on the Member's death before the Pension Start Date.
- 19.10 The Partner of a Member who is entitled to non-contributory accrual of the net pension capital is not entitled, on the Member's death before the Pension Start Date, to a stable-risk net partner's pension if the Member chose not to insure the stable-risk net partner's pension, as referred to in Article 17.2, prior to becoming entitled to non-contributory accrual of net pension capital.
- 19.11 The Child of a Member who is entitled to non-contributory accrual of the net pension capital retains the entitlement to a stable-risk net orphan's pension, as referred to in Article 18, on the Member's death before the Pension Start Date.

## 20 Unpaid leave

20.1 During a period of parental leave or unpaid leave, Membership is continued in proportion to the work that the Member continues performing. The Member owes the contribution, as referred to in Article 4, in proportion to the work that he/she continues performing. The provisions of Article 5 remain fully applicable. During a period of parental leave or unpaid leave, the Partner and/or Child of a Member who dies during the period of unpaid leave are retain the entitlements to a stable-risk net partner's pension and stable-risk net orphan's pension, as referred to in Articles 17 and 18. The Member retains the right to non-contributory pension accrual on disability, as referred to in Article 19, during the period of parental leave or unpaid leave. The stable-risk net partner's pension, the stable-risk net orphan's pension, and the right to non-contributory pension accrual on disability are based on the Fixed Net Pensionable Salary and the Part-Time Factor immediately prior to the date on which the parental leave or unpaid leave starts.

## 21 Special Net Partner's Pension

21.1 If a Separation occurs, the Former Partner retains his/her entitlement to a Special Net Partner's Pension on Separation.

21.2 The Special Net Partner's Pension on Separation before the Pension Start Date is determined as follows:

The Fund calculates which notional entitlement to net retirement pension and net partner's pension – in the ratio 100% stable net retirement pension to 70% stable net partner's pension – could have been acquired with the net pension capital on the Separation Date. The portion needed to purchase a stable Special Net Partner's Pension ('the SNPP balance') is then withdrawn from the net pension capital. The Fund administers the SNPP balance for the benefit of the Former Partner separately from the net pension capital of the Member or Deferred Member. The Fund invests the SNPP balance in the same way as the net pension capital of the Member or Deferred Member. On the Pension Start Date, the balance is used to purchase Special Net Partner's Pension in accordance with the choice of the Member or Deferred Member, as referred to in Article 8.1. The Special Net Partner's Pension commences on the first day of the month following that in which the Pensioner dies and ends on the first day of the month following that in which the Partner dies. Depending on the choice of the Member or Deferred Member, as referred to in Article 8, Articles 10, 11, and 12 or Article 14 apply by analogy to the Special Net Partner's Pension as referred to in this paragraph.

21.3 If the Member or Deferred Member dies before the Pension Start Date, the Fund will use the SNPP balance for a stable Special Net Partner's Pension. The stable Special Net Partner's Pension commences on the first day of the month following that in which the Member or Deferred Member dies and ends on the first day of the month following that in which the Former Partner dies. The provisions of Articles 10, 11, and 12 apply by analogy to the stable Special Net Partner's Pension, as referred to in this paragraph.

21.4 The provisions of Articles 21.1 and 21.2 may be excluded by both partners in a deed drawn up for this purpose. The agreement is valid only if accompanied by a declaration of the Fund, which indicates that the Fund is prepared to cover any pension risk arising from the deviation.

21.5 If, after the application of Articles 21.1 and 21.2, the Former Partner dies before the Member or Deferred Member dies, the stable Special Net Partner's Pension allocated to the Former Partner under these paragraphs accrues to the Member or Deferred Member from the date of death.

## 22 Equalization of the net retirement pension

- 22.1 If Separation occurs, the net pension capital accrued during the marriage or registered Partnership will be equalized for net retirement pension in accordance with the Equalization of Pension Rights in the Event of a Divorce Act (*Wet Verevening Pensioenrechten bij Scheiding*), provided that the Fund has received the form prescribed by law within two years of the Separation date.
- 22.2 If Separation occurs, the equalization will be determined as follows:
- As of the Separation Date, the Fund will calculate which portion of the net pension capital – after deducting the SNPP balance, as referred to in Article 21.2 – accrued during the marriage or registered Partnership. Fifty per cent (or another percentage agreed by the parties) of the net pension capital determined under this paragraph will be withdrawn from the net pension capital of the Member or Deferred Member and allocated to the Former Partner. The Fund invests the equalized net pension capital in the same way as the net pension capital of the Member or Deferred Member. If the Former Partner dies before the Member or Deferred Member, the Fund will add the equalized net pension capital to the net pension capital of the Member or Deferred Member.
- 22.3 On the Pension Start Date, the equalized net pension capital is used for net retirement pension in accordance with the choice of the Member or Deferred Member, as referred to in Article 8.1, and paid to the Former Partner as from the Pension Start Date of the Member or Deferred Member. Depending on the choice of the Member or Deferred Member, as referred to in Article 8.1, Articles 10, 11, and 12 or Article 14 apply by analogy to the net retirement pension that is paid to the Former Partner.
- 22.4 The Former Partner's net retirement pension ends:
- a) – if the Pensioner is still alive – on the last day of the month in which the Former Partner dies, with the net retirement pension of the Former Partner then reverting to the Pensioner; or
  - b) – if the Pensioner dies – on the last day of the month in which the Pensioner dies.
- 22.5 The provisions of Article 22.1 do not apply if the parties have excluded equalization of pension rights on Separation by means of a marriage contract, a registered Partnership contract, or a written agreement entered into for the purpose of Separation.
- 22.6 The provisions of Article 22.1 do not apply if the relevant right to payment on the Separation date does not exceed the Commutation Limit.
- 22.7 If cohabitation ends, the Fund may apply the provisions of this article as though a Separation had occurred, if both parties have agreed this in a cohabitation contract drawn up by a notary or in a notarial deed drawn up on termination of the cohabitation contract.

## **23 Commutation**

- 23.1 When the net pension benefit starts, the Fund is authorized to commute the net pension if:
- a) the net pension benefit plus the retirement pension or the partner's pension entitlements under the Basic Scheme jointly amount to less than the Commutation Limit on the start date; and
  - b) the Pensioner agrees to the commutation.
- 23.2 The Fund takes account of the provisions for commutation laid down by, or by virtue of, the Pensions Act.

## 24 Value Transfer

- 24.1 After the beginning of Membership of the Fund, the Member must notify the Fund in writing that he/she wishes to transfer the value of his/her pension. In that case, the Fund will add the value of the net pension transferred to it by the former employer's pension administrator to the Member's net pension capital.
- 24.2 If individual Membership is terminated, other than because of death or reaching the Pension Start Date, the Fund will transfer the net pension capital to the new employer's pension administrator, at the Deferred Member's request, under the conditions and with due regard for the periods established by, or by virtue of, the Pensions Act. The Fund will cooperate in an outgoing value transfer of net pension only insofar as the pension scheme of the recipient pension administrator provides for a net pension as referred to in Part 5.3B of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).
- 24.3 The Fund is obliged to transfer the collective value to another pension fund if it is liquidated.
- 24.4 In the other situations referred to in the Pensions Act, the Fund is authorized to cooperate with value transfer.
- 24.5 The Board takes account of the provisions for value transfer laid down by, or by virtue of, the Pensions Act.

## 25 General provisions

- 25.1 Net pension benefits are granted on written application. The documents deemed necessary by the Board must be submitted with this application. The Board is authorized to grant a net pension benefit of its own accord if it has not received an application. The person to whom a net pension benefit is granted will receive a statement of that benefit.
- 25.2 A Pensioner residing abroad must send the Fund a 'life certificate' every year. Failure to do so will result in suspension of the benefit. Where the Board has satisfied itself by other means that the person concerned is still living, there is no need to send a 'life certificate' to the Fund.
- 25.3 The net pension benefits are paid in euros by funds transfer. Any transfer costs connected with the payment may be deducted from the benefit.
- 25.4 The net pension benefits are paid in monthly installments at the end of each month.
- 25.5 Net pension benefits and other residual benefits are paid to the Pensioner or his/her legal representative, or to his/her authorized representative on presentation of a power of attorney. The orphan's pension for Children who are minors is paid to the father or mother or to the person who, in the judgement of the Board, has taken on responsibility for the Child's upbringing.
- 25.6 Benefits received in error must be repaid.
- 25.7 If pension acquired under these regulations for the years after termination of the employment contract under the provisions of Article 19, together with the pension received by the person concerned for these years based on employment elsewhere, exceeds the pension that would have accrued under these regulations if Membership had continued, the excess will be deducted from the net pension granted under the provisions of Article 19.1.
- 25.8 If third parties are to blame for Disability or death, the Member, Deferred Member, or his/her legal successor must assign the rights that he/she could enforce against those third parties to the Fund. The Board may decide not to grant the envisaged benefits only if the person concerned refuses to assign the rights. The assignment will be capped at the cash value of the benefits to be paid by the Fund.
- 25.9 The right to a net partner's pension, Special net partner's pension and/or net orphan's pension will be lost by an interested party if the Member, Deferred Member, or other person entitled to a Special Net Partner's Pension dies as a result of an intentional action of that party.
- 25.10 If applying the provisions of these regulations leads to unforeseen or unintended consequences in an individual case, the interested party may request the Board in writing to make a special arrangement.
- 25.11 At the Employer's request, the Fund is also authorized to perform pension agreements for Members other than those provided for in these regulations, or to pay pensions to Members, Former Members, and their surviving relatives, provided that the Employer provides the resources for this purpose, as determined by the Fund. The granting and details of such pension entitlements or pension rights will be communicated to the eligible party in writing.

## 26 Information obligations

- 26.1 Members, Deferred Members, Partners, Former Partners, or Pensioners are obliged to provide the Fund with the information the Board deems necessary for the proper administration of the Scheme and are also obliged to cooperate with a further investigation conducted by, or on behalf of, the Fund to verify the information provided by them.
- 26.2 If they refuse to do so, or the information they provide is incorrect, the Board will establish the net pension entitlements and/or rights in accordance with the requirements of reasonableness and fairness.
- 26.3 The Fund provides information, in accordance with the requirements that the Pensions Act sets in this regard, to the Members, Deferred Members, Partners, Former Partners, Pensioners, and other interested parties.
- 26.4 The Board may revise the information at any time, except that to which the Members, Deferred Members, Partners, Former Partners, pensioners, and other interested parties are entitled under the Fund regulations. Members, Deferred Members, Partners, Former Partners, Pensioners, and other interested parties will be provided with a statement of such a revision.

## **27 Complaints and Disputes**

27.1 The Fund has a disputes procedure for disputes and a complaints procedure for complaints that are laid down in the Complaints and Disputes Regulations.

## **28 Maximizing pension entitlements for tax purposes**

28.1 The pension entitlements under these regulations will not exceed the tax limits set for the pension scheme in these regulations by, and by virtue of, Chapter IIB of the Wages and Salaries Tax Act 1964 and Part 5.3B of the Income Tax Act 2001.

## 29 Assessment of the maximum for tax purposes

29.1 At a number of key moments, the Fund will assess whether the net retirement pension and net partner's pension that can be purchased from the net pension capital remain within the tax limits as referred to in Article 28. The moments as referred to in the first sentence are at least:

- upon termination of Membership because of resignation/dismissal, followed by value transfer; and
- the Pension Start Date.

The Fund may assess at different moments if this is required by, and by virtue of, the provisions of Chapter II of the Wages and Salaries Tax Act 1964, Part 5.3B of the Income Tax Act 2001, and their ensuing regulations.

29.2 The Member may not enforce any right to the portion of the net pension capital that is not required to purchase the maximum pensions under Article 28. If the tax assessment as referred to in this article shows that the net pension capital exceeds what is required to purchase the maximum pensions under Article 28, the surplus net pension capital will revert irrevocably to the Fund.

## **30 Retroactive effect clause**

- 30.1 If the Dutch Tax and Customs Administration believes that one or more provisions of these regulations do not comply with tax laws and other regulations for a net pension scheme, the Board may amend these provisions – with retroactive effect, if necessary – so that a qualifying net pension scheme exists after the amendment.

This net pension scheme is introduced under the resolute condition that the Scheme is a pension scheme as referred to in Articles 18-18ga of the Wages and Salaries Tax Act 1964 and Part 5.3B of the Income Tax Act 2001. If it is irrevocably established that the net pension scheme does not comply with these provisions, the Scheme will be amended immediately, and with retroactive effect to the date of inception, so that it complies with the provisions of Articles 18-18ga of the Wages and Salaries Tax Act 1964 and Part 5.3B of the Income Tax Act 2001.

## **31 Entry into effect**

31.1 These regulations were adopted by the Board on December 12, 2014 and entered into effect on January 1, 2015. The Board last amended these regulations on June 14, 2019. The amended pension regulations entered into effect on July 1, 2019. These regulations supersede the amended regulations dated January 1, 2018 (reference: 2018-000118).

## **32 Transitional provision – Net Pension Scheme of July 1, 2019**

- 32.1 Notwithstanding Article 2, a Deferred Member can – when the Deferred Member is still an Employee and receives a Fixed Net Pensionable Salary – make a once-off decision to once again become a Member of the Scheme. The Deferred Member informs the Employer of his/her decision to become a Member again before July 1, 2019, using the form designated for that purpose. In that case, Membership starts on the first day of the month following the date on which the Employer has informed the Fund about the request and the Fund has processed the request. The Fund informs the Deferred Member of the definitive date of Membership or renewed Membership.
- 32.2 The Fund has, on the Employer's request, converted the net retirement pension entitlements that the Members and Deferred Members have accrued up to and including June 30, 2019, into net retirement pension entitlements with a retirement age of 68 as of July 1, 2019. The Fund has taken account of the provisions laid down by, or by virtue of, the Pensions Act for this purpose.
- 32.3 These regulations apply fully to all net pension capital and net pension entitlements accrued up to and including June 30, 2019, on the understanding that the provisions of Articles 9.4, 9.5, 10, 11, and 12 apply by analogy to the net pension entitlements of Members and Deferred Members.

## **ANNEXES**

## ANNEX 1 FIXED PENSIONABLE SALARY

<p>For:</p> <p><b>SABIC Limburg B.V.</b></p>	<p>For:</p> <p><b>SABIC Innovative Plastics B.V.</b> <b>SABIC Global Technologies B.V.</b></p>
<p>Pensionable Pay elements considered to belong to the fixed annual income:</p> <ul style="list-style-type: none"> <li>• salary</li> <li>• annual bonus;</li> <li>• shift work allowance;</li> <li>• average public holiday allowance for working pursuant to the continuous shift roster;</li> <li>• allowance for permanent assignment to standby duties;</li> <li>• allowances under the additional payment scheme;</li> <li>• WAO-benefit/WIA benefit (including vacation allowance);</li> <li>• compensatory benefit and compensatory income under the compensation scheme for long-term Disability, taking account of any reductions as referred to in the CLA;</li> <li>• the bonuses allocated to the Employer for employment in the context of the Dutch Sheltered Employment Act (WSW) (for Employees who took WSW redundancy up to April 1, 2006).</li> <li>• the total personal budget actually paid out and/or the leave actually paid out up to a maximum of 24% of the monthly income (5 days) a year is deemed to be a pensionable pay element.</li> </ul>	<p>Pensionable Pay elements considered to belong to the fixed annual income:</p> <ul style="list-style-type: none"> <li>• Salary (12 times the monthly salary), plus a 13th month bonus and vacation allowance</li> <li>• Shift work allowance</li> <li>• Personal allowance</li> <li>• Phasing out of shift work allowance</li> <li>• the WAO benefit or the WIA benefit (including vacation allowance)</li> </ul>

<p>For:</p> <p><b>SABIC Europe B.V.</b> <b>SABIC Capital B.V.</b></p>
<p>The fixed annual salary as referred to in the individual employment contract.</p>

## ANNEX 2 VARIABLE PENSIONABLE SALARY

<p>For:</p> <p><b>SABIC Limburg B.V.</b></p> <p><b>SABIC Capital B.V.</b></p>	<p>For:</p> <p><b>SABIC Innovative Plastics B.V.</b></p> <p><b>SABIC Global Technologies B.V.</b></p>
<p>Pensionable Pay elements that, based on the following plans, are considered to belong to the variable annual income:</p> <ul style="list-style-type: none"> <li>• Annual Incentive Plan (AIP);</li> <li>• Short term incentive (STI);</li> <li>• Long term incentive (LTI);</li> <li>• Integral Performance Management; and</li> <li>• Collective variable remuneration.</li> </ul>	<p>Pensionable Pay elements that, based on the following plans, are considered to belong to the variable annual income:</p> <ul style="list-style-type: none"> <li>• Annual Incentive Plan (AIP);</li> <li>• Short term incentive (STI);</li> <li>• Long term incentive (LTI); and</li> <li>• Variable remuneration.</li> </ul>

<p>For:</p> <p><b>SABIC Europe B.V.</b></p>
<p>Pensionable Pay elements that, based on the following plans, are considered to belong to the fixed annual income:</p> <ul style="list-style-type: none"> <li>• Annual Incentive Plan (AIP);</li> <li>• Short term incentive (STI); and</li> <li>• Long term incentive (LTI).</li> </ul>

## ANNEX 3 RISK PREMIUM, RISK NET PARTNER'S PENSION

The amount of the risk premium for the stable-risk net partner's pension, as referred to in Article 4.5, as a percentage of the Fixed Net Pensionable Salary.

		Partner's age									
		20 through 24	25 through 29	30 through 34	35 through 39	40 through 44	45 through 49	50 through 54	55 through 59	60 through 64	65 through 68
Member's age	20 through 24	0.24%	0.23%	0.22%	0.21%	0.20%	0.19%	0.17%	0.15%	0.13%	0.12%
	25 through 29	0.25%	0.24%	0.23%	0.22%	0.20%	0.19%	0.17%	0.16%	0.14%	0.12%
	30 through 34	0.28%	0.27%	0.25%	0.24%	0.23%	0.21%	0.19%	0.17%	0.15%	0.13%
	35 through 39	0.32%	0.31%	0.29%	0.28%	0.26%	0.24%	0.22%	0.20%	0.18%	0.15%
	40 through 44	0.43%	0.41%	0.39%	0.37%	0.35%	0.33%	0.30%	0.27%	0.24%	0.20%
	45 through 49	0.61%	0.58%	0.56%	0.53%	0.50%	0.46%	0.42%	0.38%	0.33%	0.29%
	50 through 54	0.80%	0.78%	0.74%	0.70%	0.66%	0.61%	0.56%	0.50%	0.44%	0.38%
	55 through 59	0.93%	0.90%	0.86%	0.81%	0.76%	0.71%	0.65%	0.58%	0.51%	0.44%
	60 through 64	0.76%	0.73%	0.70%	0.67%	0.63%	0.58%	0.53%	0.48%	0.42%	0.36%
	65 through 68	0.06%	0.06%	0.06%	0.06%	0.05%	0.05%	0.04%	0.04%	0.03%	0.03%

## ANNEX 4 ALLOCATION RATES

The following rates are used to convert net pension capital into a stable or variable net retirement pension (RP), whether or not combined with a net partner's pension or latent net partner's pension (PP).

Age	Stable net retirement pension as referred to in Article 9		Variable net retirement pension as referred to in Article 13	
	€100 RP + €70 PP	€100 RP (excluding PP)	€100 RP + €70 PP	€100 RP (excluding PP)
60	€ 3,053.85	€ 2,613.32	€ 2,664.79	€ 2,280.39
61	€ 2,982.70	€ 2,537.65	€ 2,602.71	€ 2,214.35
62	€ 2,910.30	€ 2,461.16	€ 2,539.53	€ 2,147.61
63	€ 2,836.71	€ 2,384.05	€ 2,475.31	€ 2,080.32
64	€ 2,761.95	€ 2,306.42	€ 2,410.08	€ 2,012.58
65	€ 2,686.01	€ 2,228.21	€ 2,343.82	€ 1,944.34
66	€ 2,608.99	€ 2,149.66	€ 2,276.61	€ 1,875.79
67	€ 2,530.92	€ 2,070.82	€ 2,208.48	€ 1,807.00
68	€ 2,451.73	€ 1,991.61	€ 2,139.38	€ 1,737.88
69	€ 2,372.32	€ 1,912.34	€ 2,070.09	€ 1,668.71
70	€ 2,292.15	€ 1,833.10	€ 2,000.13	€ 1,599.57
71	€ 2,211.21	€ 1,753.81	€ 1,929.50	€ 1,530.37
72	€ 2,129.84	€ 1,675.02	€ 1,858.50	€ 1,461.62

The following rates are used to convert net pension capital into a stable net partner's pension (PP) as referred to in Article 16.

Partner's age at time of conversion	€100 PP
20	€ 4,821.37
21	€ 4,790.59
22	€ 4,758.99
23	€ 4,726.54
24	€ 4,693.23
25	€ 4,659.00
26	€ 4,623.91
27	€ 4,587.87
28	€ 4,550.92
29	€ 4,513.02
30	€ 4,474.16
31	€ 4,434.28
32	€ 4,393.37
33	€ 4,351.38
34	€ 4,308.38
35	€ 4,264.34
36	€ 4,219.18
37	€ 4,172.94
38	€ 4,125.57
39	€ 4,077.06
40	€ 4,027.39
41	€ 3,976.59
42	€ 3,924.69
43	€ 3,871.62
44	€ 3,817.32
45	€ 3,762.00
46	€ 3,705.45
47	€ 3,647.91
48	€ 3,589.26
49	€ 3,529.42
50	€ 3,468.37
51	€ 3,406.17
52	€ 3,342.95
53	€ 3,278.62
54	€ 3,213.05
55	€ 3,146.41
56	€ 3,078.65
57	€ 3,009.75
58	€ 2,939.73
59	€ 2,868.75
60	€ 2,796.60
61	€ 2,723.61
62	€ 2,649.66
63	€ 2,574.58
64	€ 2,498.43
65	€ 2,421.31
66	€ 2,343.33
67	€ 2,264.56
68	€ 2,184.86
69	€ 2,104.75
70	€ 2,024.06
71	€ 1,942.79
72	€ 1,861.31

## ANNEX 5 FLEXIBILITY FACTORS

### **Conversion of net partner's pension into net retirement pension (Article 9.4 under a) & Article 13.4 under a)**

The net partner's pension can be converted into extra net retirement pension on the start date of the pension. Net retirement pension amounting to the factor shown below is received for each €100 of net partner's pension.

Age	RP
60	€ 24.08
61	€ 25.05
62	€ 26.07
63	€ 27.12
64	€ 28.22
65	€ 29.35
66	€ 30.53
67	€ 31.74
68	€ 33.00
69	€ 34.36
70	€ 35.77
71	€ 37.26
72	€ 38.79

### **High-low (Article 9.4 under b)**

The net pension scheme includes an option to vary the lifelong retirement benefit. The benefit period is split into two. The amount of the benefit in the first period (which is of a fixed duration) differs from the amount in the second lifelong period that immediately follows it. The following tables should be used to establish the possible combinations.

Retirement age of 60				Retirement age of 61			
period 1 benefit	duration (in years)	therefore until	period 2 benefit	period 1 benefit	duration (in years)	therefore until	period 2 benefit
80%	3	63	103.10%	80%	3	64	103.21%
80%	1	61	100.94%	80%	1	62	100.97%
85%	5	65	104.27%	85%	5	66	104.43%
85%	3	63	102.33%	85%	3	64	102.41%
85%	1	61	100.71%	85%	1	62	100.73%
90%	5	65	102.85%	90%	5	66	102.95%
90%	4	64	102.17%	90%	4	65	102.25%
110%	5	65	97.15%	110%	5	66	97.05%
115%	5	65	95.73%	115%	5	66	95.57%
115%	3	63	97.67%	115%	3	64	97.59%
115%	1	61	99.29%	115%	1	62	99.27%
120%	4	64	95.66%	120%	4	65	95.50%
120%	1	61	99.06%	120%	1	62	99.03%

Retirement age of 62				Retirement age of 63			
<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>	<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>
80%	3	65	103.32%	80%	3	66	103.44%
80%	1	63	101.00%	80%	1	64	101.04%
85%	5	67	104.60%	85%	5	68	104.79%
85%	3	65	102.49%	85%	3	66	102.58%
85%	1	63	100.75%	85%	1	64	100.78%
90%	5	67	103.07%	90%	5	68	103.19%
90%	4	66	102.33%	90%	4	67	102.42%
110%	5	67	96.93%	110%	5	68	96.81%
115%	5	67	95.40%	115%	5	68	95.21%
115%	3	65	97.51%	115%	3	66	97.42%
115%	1	63	99.25%	115%	1	64	99.22%
120%	4	66	95.34%	120%	4	67	95.16%
120%	3	65	96.68%	120%	1	64	98.96%

Retirement age of 64				Retirement age of 65			
<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>	<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>
80%	3	67	103.58%	80%	3	68	103.72%
80%	1	65	101.07%	80%	1	66	101.11%
85%	5	69	104.99%	85%	5	70	105.21%
85%	3	67	102.68%	85%	3	68	102.79%
85%	1	65	100.81%	85%	1	66	100.83%
90%	5	69	103.33%	90%	5	70	103.47%
90%	4	68	102.52%	90%	4	69	102.62%
110%	5	69	96.67%	110%	5	70	96.53%
110%	4	68	97.48%	110%	4	69	97.38%
115%	5	69	95.01%	115%	5	70	94.79%
115%	3	67	97.32%	115%	3	68	97.21%
115%	1	65	99.19%	115%	1	66	99.17%
120%	4	68	94.97%	120%	4	69	94.75%

Retirement age of 66				Retirement age of 67			
<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>	<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>
80%	3	69	103.88%	80%	3	70	104.05%
80%	1	67	101.16%	80%	1	68	101.20%
85%	4	70	104.11%	85%	4	71	104.30%
85%	3	69	102.91%	85%	3	70	103.03%
85%	1	67	100.87%	85%	1	68	100.90%
90%	4	70	102.74%	90%	4	71	102.87%
90%	3	69	101.94%	90%	3	70	102.02%
110%	4	70	97.26%	110%	4	71	97.13%
110%	3	69	98.06%	110%	3	70	97.98%
115%	4	70	95.89%	115%	4	71	95.70%
115%	3	69	97.09%	115%	3	70	96.97%
115%	1	67	99.13%	115%	1	68	99.10%
120%	4	70	94.52%	120%	4	71	94.27%

Retirement age of 68			
<i>period 1 benefit</i>	<i>duration (in years)</i>	<i>therefore until</i>	<i>period 2 benefit</i>
80%	3	71	104.23%
80%	1	69	101.25%
85%	4	72	104.51%
85%	3	71	103.17%
85%	1	69	100.94%
90%	4	72	103.01%
90%	3	71	102.12%
110%	4	72	96.99%
110%	3	71	97.88%
115%	4	72	95.49%
115%	3	71	96.83%
115%	1	69	99.06%
120%	4	72	93.99%