

Pension Rules
Stichting Pensioenfonds Thales Nederland
(Thales Nederlands Pension Fund Foundation)
2015

In force with effect from 1 January 2019

Reader's guide

Pension Rules

This publication includes the pension rules for the pension scheme of Thales Nederland B.V. (hereinafter called Employer) and of enterprises in the Netherlands for which the Employer lays down the conditions of employment, and describes the different components of the scheme. The Employer follows the main features of the pension scheme of the Pension Fund for the Metal Industry (Het Pensioenfonds voor de Metalektro), also called PME. The Employer has been exempted from participation in the PME pension scheme because the Employer's scheme is at least equivalent to the PME pension scheme. This entails that the Employer's pension scheme is equal in quality to the pension scheme of PME.

This is a publication of Stichting Pensioenfonds Thales Nederland (hereinafter called Fund). This Fund has a jointly composed board, which consists of six members. The members of the Board are appointed by the board and are representatives of the Employer, representatives on behalf of the employees who are nominated by the Central Works Council and a representative on behalf of the persons entitled to pension. The tasks and powers of the board are described in the articles of the fund.

The pension rules contain definitions of all concepts that are capitalized in the rules (concepts). The principal components of the pension scheme are an old-age pension, a survivor's pension (Partners and Children) and a scheme for occupationally disabled participants for whom the Fund can (partly) take over the payment of premium because of occupational disability. It is also described how the pension scheme is financed by the Employer and employees. In the subsequent articles different pension situations are described. In addition to the pension rules there are Policy Rules. These Policy Rules contain a further elaboration of several provisions from the pension rules. Besides there are schemes that are not carried out by the Fund, among other things a shortfall pension scheme under the General Survivors' Act (placed with Zwitterleven) and a voluntary net pension scheme (placed with Aegon). Moreover there is a separate VPL scheme. Separate rules apply to the conditional VPL claims following from this scheme. Additional rules and Policy Rules (in which also the different transitional schemes are included) may be found on the website of the Fund (<http://www.thalespensioenfonds.nl/>). The terms employee and participant in the schemes refer to both the female and the male employees/participants.

The nature of the pension scheme is a CDC (Collective Defined Contribution) scheme. This entails the following:

1. At the start of the relevant pension scheme the Employer determines, in cooperation with social partners, a method on the basis of which the pension premium will be derived. This method only makes use of suppositions about the (future development of) elements that determine the costs of pension accrual and is not related to the realization of suppositions in the past or to the Fund's current financial position. The premium that is derived in accordance with this method is determined at the start of the scheme and subsequently every five years for the future pension accrual and expressed as a fixed percentage of the pensionable pay sum.
2. The premium that is necessary in any year for the accrual or purchase of pension must at least be equal to the (cushioned) cost-effective premium, as determined in conformity of the ABTN (Actuarial and Technical Memorandum) of the Fund.
3. Pension claims will be accrued, with observance of point 1, on the basis of a conditionally indexed average pay scheme with a target accrual percentage of 1.875% of the pensionable pay determined in that year.
4. If the total premium, as referred to in point 1 in any year is insufficient, however, for the purchase of pension claims as defined above in point 2, and if this deficit cannot be financed from the Fund's premium deposit, the accrual percentage of all the participants will be reduced proportionally to a level at which the premium, increased by any resources from the premium equalization reserve is enough for the purchase of new pension claims.
5. If the financial position of the Fund is not enough and it is expected that this deficit cannot be made up, the pension claims and pension rights of Participants, Former Participants, Persons Entitled to a Pension and other Future Pension Beneficiaries will be reduced, so that the financial

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position again complies with the requirements of or by virtue of the Pensions Act within the terms set for it.

6. All this has been elaborated in more detail in the present pension rules.

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PENSION SCHEME 2015 (AMENDED WITH EFFECT FROM 1 JANUARY 2019)

Article 1. Concepts

In these pension rules the following terms have the following meanings:

1.1 Future Pension Beneficiary

The (Former) Participant, the (Ex-)Partner and the Child who are entitled to pension benefit of the Fund not yet commenced.

1.2 Commutation Limit

The amount below which small pensions may be commuted according to section 66 of the Pensions Act.

1.3 AOW (General Old-age Pension) date

The first day of the month in which the (Former) Participant or Future Pension Beneficiary reaches the AOW age applicable to him according to the General Old-age Act.

1.4 AOW Benefit

The AOW benefit including holiday allowance for a married person.

1.5 Occupationally Disabled

The person who is considered fully or partly Occupationally Disabled by the UWV (Employee Insurance Agency) and receives benefit under the WIA (Act on Work and Income according to the Capacity for Work) or WAO (Occupational Disability Insurance Act).

1.6 Interested Person

The person who is entitled to commenced pension benefit from the Fund or the person who has a claim on pension benefit from the Fund that has not yet commenced.

1.7 Policy Rules

The rules that the Board makes in these Pension Rules in order to describe in detail how particular parts are executed (performance guidelines). The Policy Rules are published. The Policy Rules are part of the Pension Rules 2015.

1.8 Board

The Board of the Fund.

1.9 Special partner's pension

The part of the accrued partner's pension that is split off in the event of a Divorce for the Ex-partner of the (Former) Participant or Pensioner. This special partner's pension is paid to the Ex-partner, if the (former) Participant or Pensioner dies.

1.10 Collective Labour Agreement (CAO)

The Collective Labour Agreement that applies to the Metal Industry (Metalektro).

1.11 Conversion

The act whereby the parties agree after a divorce that the special partner's pension together with the equalization part of the old-age pension in respect of which the Ex-partner has a right to benefit, will be converted into a personal and independent right to old-age pension for the Ex-partner.

1.12 Participant

The person who accrues and/or acquires pension.

1.13 Participation years

The number of years begin between the beginning and the end of the participation. The number of participation years will be determined accurately in days. A year numbers 360 days and a month numbers 30 days. This number is increased by the extra participation years that are acquired from a possibly incoming value transfer.

1.14 Part-time Factor

The Part-time Factor is the ratio between the agreed number of working hours a week of the Participant and the customary number of working hours a week with the Employer. The factor determined in this way is maximized at one.

1.15 Employment

The employment between the Employer and Employee on the basis of a contract of employment.

1.16 Ex-partner

The person who was considered Partner prior to the Divorce.

1.17 Fund

Stichting Pensioenfonds Thales Nederland, having Hengelo (Overijssel) as seat.

1.18 Franchise

The part of the Gross Salary on which the Participant does not accrue pension and for which no premium is paid.

For the period from 2015 through 2019 these amounts are:

Year	2015	2016	2017	2018	2019
Franchise	€15,304	€15,104	€14,904	€14,704	€14,554

The franchise is at least equal to 100/75 times the AOW benefit for a married person in that year.

1.19 Pensioner

The (Former) Participant who has reached the Pension Commencing Date and for whom the old-age pension has commenced.

1.20 Former Participant

The person whose participation has ended, differently than by reaching the Pension Commencing Date or by death and who may derive claims from the Pension Rules 2015.

1.21 Joint Household

It is a matter of a Joint Household when a (Former) Participant or Pensioner and another person are registered without interruption at the same address in in the Dutch Population Register (BRP) and meet the following requirements:

- a. Before the Pension Commencing Date these persons, who are both unmarried and have not entered into a registered partnership, have concluded a cohabitation contract, executed before a civil-law notary (officially laid down by the civil-law notary), showing a care-providing nature; or
- b. Before the Pension Commencing Date a notarial cohabitation declaration has been issued which shows that these persons are conducting a joint household and which displays a care-providing nature.

If the care-providing nature does not appear clearly from the cohabitation contract or the cohabitation declaration executed before the civil-notary, the Joint Household may as yet be proven by the (Former) Participant or Pensioner and/or this other person by means of

additional documentary evidence. A list of these additional documents has been included in the Policy Rules.

Any additional conditions have also been laid down in these Policy Rules.

1.22 Child/Children

In this pension scheme the term Child/Children of the (Former) Participant or Pensioner means:

- The children, lawful, legitimate, recognized as legitimate or adopted, under the age of 18 of the (former) Participant or Pensioner;
- The stepchildren and foster children under the age of 18 who are raised and looked after by the (former) Participant or Pensioner. A stepchild is understood to be the child that the Partner already had when entering into the marriage, the registered partnership or the Joint Household with the (Former) Participant. A foster Child is understood to be a child as defined in the General Child Benefit Act;
- Children between the ages of 18 and 27 if they mainly spend the time available for work on a study or professional education. In this case this mainly means following a full-time program or full-time study. The Child is asked to submit documentary evidence for this. The requirements for the purpose may be laid down in the Policy Rules.

A Child (Children) must have been born before the Pension Commencing Date, legitimized, recognized, adopted or already being raised and looked after in order to qualify as a Child (Children) in this pension scheme. A further explanation is in the Policy Rules.

1.23 Complaint

A complaint is understood to be an expression of displeasure:

- At the execution of the pension scheme by the Fund;
- About the treatment by the Fund.

For this the Fund has a disputes and complaints procedure. It can be found on <https://www.thalespensioenfonds.nl/> under Downloads/Overige Documenten

1.24 Small pension

A small pension is a pension that is lower than the Commutation Limit, but equal to or higher than €2.00 gross per annum.

1.25 Metalektro Wage Index

The level of the wages on 1 January of any year in comparison with 1 January of the preceding year. This index is based on the general wage developments laid down in the CAO Metalektro (collective labour agreement of the Metal industry). Amounts are rounded off to an accuracy of 2 decimal points.

1.26 Metalektro

The industry that consists of all enterprises that mainly engage in work in Metal and Electrotechnical Industries.

1.27 Accrual Year

The years within the Accrual Period, from 1 January 2015.

1.28 Accrual Period.

Pension is accrued from joining the Fund until at the latest the AOW date.

1.29 VPL Thales Transitional Scheme

This concerns the scheme agreed by the parties to the Collective Labour Agreement in the Metal Industry on the basis of article 4 from the Implementation Order on Pension Aspects from the Social Contract 2004. The scheme has been laid down in the Agreement in respect of VPL in connection with the Metalektro industry, under the name of "Overgangsregeling VPL Thales" (VPL Thales Transitional Scheme).

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1.30 Partner

The person with whom, prior to the pension commencing date, the (Former) Participant or the Pensioner:

- Is married; or
- Has entered into a registered partnership; or
- carries on a Joint Household and who is not a relative by blood or affinity in the direct line.

Additional conditions have been elaborated and laid down in the Policy Rules.

1.31 Person Entitled to a Pension

The Pensioner, the (Ex-)Partner and the Child who are entitled to pension benefit of the Fund.

1.32 Gross salary

The Gross Salary is the Employee's fixed annual salary in that calendar year that the Employee has also really received. In addition this Gross Salary includes the following salary components:

- The holiday allowance;
- The fixed annual payments agreed in writing with the Employer;
- Variable salary components with the holiday allowance possibly granted thereon.

The Gross Salary is calculated on the basis of full-time employment. The variable salary components with the holiday allowance possibly granted thereon are only part of the Gross Salary if this has been agreed between in an (additional) pension agreement concluded between the Employer and the Employee. The variable salary components include the shift bonus.

If on the date of determination of the Pensionable Pay the Employer does not owe the Gross Salary or the normal Gross Salary because of absenteeism, the actually received Gross Salary will be taken as a basis.

1.33 Pensionable Pay

The Pensionable Pay is the Gross Salary to the Salary Limit, reduced by the Franchise. Pension is accrued on this amount.

1.34 Pension Commencing Date

The date on which the old-age pension of the Fund actually commences.

1.35 Pension Rules 2015

The Fund's pension rules for employees born after 1949 as they apply with effect from 1 January 2015.

1.36 Pension Target Date

The first day of the month in which the (Former) Participant becomes 68.

1.37 Premium Equalization Reserve

The reserve to which the part of the annual fixed premium that is higher than the cushioned cost-effective premium is added. Out of this reserve deficits on the premium will be paid if in any year the fixed premium amounts to less than the cushioned cost-effective premium.

1.38 Price Index

The level of the prices on 1 July of any year in comparison with 1 July of the preceding year. This index is determined annually by the Central Bureau of Statistics as "Consumer Price Index Number for all Households (derived)". Amounts are rounded off with an accuracy of two decimal points.

1.39 Salary limit

The salary limit is equal to the maximum salary that applies on the basis of the fiscal legislation and regulations for pension schemes and amounts to €107,593 with effect from 1 January 2019.

1.40 Divorce

This means:

- Termination of the marriage by divorce;
- Dissolution of the marriage after a legal separation;
- Termination of the registered partnership;
- Termination of the Joint Household.

The divorce date for married persons and registered partners will be the registration date of the Divorce in the registers of the Registry of Births, Deaths and Marriages.

The divorce date for unmarried and unregistered Partners will be the date on which according to the Dutch Population Register (BRP) the registration at the same address has ended, unless the Partners have agreed otherwise.

1.41 Implementation Rules

The rules that regulate the relationship between the Employer and the Fund.

1.42 Equalization of pension rights

Equalization of pension rights in the event of Divorce is the division of the old-age pension. This concerns the old-age pension that has been accrued during the marriage or registered partnership.

1.43 WAO

Occupational Disability Insurance Act.

1.44 Employer

Thales Nederland B.V. established in Hengelo (Overijssel) and those enterprises in the Netherlands for which Thales Nederland B.V. lays down the conditions of employment or that enterprise that continues the business of the above-mentioned company in any form or name.

1.45 Employee

The person who has a contract of employment with the Employer in the sense of the Civil Code.

1.46 WIA

Act on Work and Income according to the Capacity for Work.

1.47 WW

Unemployment Act.

When are you a Participant?

Article 2 Participation in the pension scheme

2.1 Participant

Regarded as Participant in the pension scheme will be

- The Employee who is subject to the Fund's pension scheme;
- The Employee or the Former Employee for whom the pension accrual is continued during (partial) Occupational Disability;
- The person who voluntarily continues participation, whether or not during unemployment;
- The person who continues participation during periods of leave.

2.2 Start of participation

Participation starts on the day on which a person becomes a Participant.

2.3 End of participation

The participation will end:

- On the day immediately preceding the AOW date;
- On the day on which the employment of the Employee with the Employer is terminated, unless the Participant continues the participation;
- On the day on which the continuation of the participation is terminated;
- On the day of the Participant's death.

Nature of the pension scheme

Article 3 Nature of the pension scheme

3.1 Benefit Contract

The pension scheme is in the nature of a benefit contract as referred to in section 1 of the Pensions Act. The pension scheme is an average wage scheme. If in a year the pension premium determined beforehand is not enough for the intended accrual in that year, the accrual for that year may be limited proportionally. After payment of the premium the Employer has no additional payment obligation with regard to the pension claims to be accrued in that year.

3.2 Classification for the annual reporting of the Employer

For the Employer's annual reporting the pension scheme is classified as a Collective Defined Contribution Scheme (CDC Scheme), because the Employer is not obliged to pay additional amounts but only an obligation to pay the fixed premium as referred to in article 19.

Pensionable pay and pension claims

Article 4 Claims

4.1 Claims for the Participant, Partner, Ex-partner and Child

If the conditions from the Pension Rules 2015 are met:

- a. The Participant will have a claim on lifelong old-age pension for himself from the Pension Commencing Date;
- b. The Partner will have a claim on a lifelong partner's pension in the event of death of the (Former) Participant or Pensioner;
- c. The Child will have a claim on a temporary orphan's pension in the event of death of the (Former) Participant or Pensioner;
- d. The Ex-partner will have a claim on a special partner's pension in the event of death of the (Former) Participant or Pensioner;
- e. The Ex-partner will have a claim on an equalized part of the old-age pension from the Pension Commencing Date.

The magnitude of the claims on old-age pension, partner's pension and orphan's pension from the pension scheme will be calculated on the basis of the Employee's Pensionable Pay.

4.2 Circumstances or events that may affect the amount of the pensions

- a. The granted indexations and applied reductions of the Pension Claims or Pension Rights.
- b. The pension claims accrued up to and including 31 December 2017 with a pension age of 67 have been converted with effect from 1 January 2018 into claims with a pension age of 68. This conversion has been regulated in article 31.
- c. The use of options, such as exchanging partner's pension and old-age pension, bringing forward or postponing pension and/or high-low.
- d. The continuation of the accrual of the old-age pension, partner's pension and orphan's pension on the basis of continuation of the participation in the event of Occupational Disability (article 12). Deviating rules may apply to Participants who had already been occupationally disabled before 1 January 2015.
- e. An incoming value transfer.

Article 5 Pensionable pay

5.1 What is the Pensionable pay?

The Pensionable Pay is the amount on which pension is accrued.

The Pensionable Pay is the Gross Salary to the Salary Limit, decreased by the Franchise. The Salary Limit in 2019 is €107,593.00.

The Pensionable Pay is based on a fulltime salary. If the Participant works part-time, the Pensionable Pay is multiplied by the Part-time Factor when the pension accrual is calculated. The part-time percentage will be determined in the event of every change of the agreed working time or of the normal working time.

The Pensionable Pay is rounded down to a whole Euro. If the Franchise is equal to or higher than the Gross Annual Salary the Pensionable Pay is set at zero.

5.2 Determination of the Pensionable Pay

The Pensionable Pay is determined (anew) with effect from 1 January of every year.

Besides the Pensionable Pay will be determined anew:

- With effect from the commencing date of a (renewed) Participation;
- With effect from the date that the Employee is paid a variable salary component, but only in so far as this concerns the variable component. This only applies if the variable salary component is part of the Gross Salary.

Article 6 Old-age pension

6.1 The size of the old-age pension

- a. For every Accrual Year the target is to accrue 1.875% of the Pensionable Pay in that year in old-age pension;
- b. If in an Accrual Year the previously agreed premium is lower than the cushioned cost-effective premium that is necessary to buy the accrual for that year, the deficit will be charged in the first instance to the Premium Equalization Reserve of the Fund. If the resources of the Premium Equalization Reserve are not enough to buy the 1.875% of the Pensionable Pay, the pension accrual for that year will be determined at a lower rate in proportion to the deficit;
- c. For 2019 the accrual percentage has been determined at 1.875%;
- d. The total size of the old-age pension is the sum of the claims accrued in the total Accrual Period.

6.2 Distribution period for old-age pension

The old-age pension takes effect on the Pension Commencing Date. The old-age pension stops on the last day of the month in which the Pensioner dies.

6.3 Part-time working and pension accrual

For the Participant who works part-time during the participation, the old-age pension will be determined as follows:

The Pensionable Pay will first be calculated on the basis of the full-time Gross Salary.

Subsequently in the calculation of the old-age pension:

- The Pensionable Pay will be multiplied by the Part-time Factor;
- For the future pension the number of future Accrual Years will be multiplied by the Part-time Factor. This future pension is only relevant for the pension partner's pension and the orphan's pension.

6.4 Change in part-time percentage has a direct effect on calculation of pension

If during participation the part-time percentage changes for the Participant, the changed part-time percentage will immediately be incorporated in the calculation of the old-age pension with effect from the date that the Participant will work more or fewer hours.

Pension for survivors: Pension for Partners and Children of the deceased (Former) Participant or Pensioner

Article 7 Partner's pension

7.1 What is partner's pension?

Partner pension is a pension benefit for the Partner if the (Former) Participant or the Pensioner dies.

7.2 Partner's pension on an accrual basis and on a risk basis

Since 2015 the partner's pension has been financed partially on an accrual basis and partly on a risk basis.

- Accrual basis means that a pension claim is accrued. This accrual has value. After termination of the participation in the pension scheme this pension claim will continue to exist. The accrued partner's pension may be exchanged at the time of commencement of pension for a higher old-age pension (see article 22 et seq.).
- Risk basis means that in the event of the Participant's death during participation, the partner qualifies for a partner's pension. The risk partner's pension expires at the end of participation. It can therefore not be transferred and cannot be exchanged for a higher old-age pension.

7.3 Size of the partner's pension in the event of the Participant's death before the Pension Commencing Date

The partner's pension at the time of death is equal to the sum of the following components:

- a. The accrued partner's pension; per Accrual Year this is 50% of the accrual percentage of old-age pension of the Pensionable Pay in that year; and
- b. The risk partner's pension; per Accrual Year this is 20% of the accrual percentage of old-age pension of the Pensionable Pay in that year; and
- c. The future partner's pension: this is 70% of the old-age pension that the Participant could have accrued until the AOW date on the basis of the last Pensionable Pay and Part-time Factor if he had not died (future Accrual Years), in which connection the Pensionable Pay is determined in accordance with article 5; and
- d. The partner's pension accrued until 1 January 2015.

7.4 Risk partner's pension in the event of unemployment

During the period that the Participant is entitled to unemployment benefit after the end of the participation, the risk partner's pension will remain intact. In that case there will be no claim on further accrual of partner's pension or a future partner's pension, unless the Participant chooses continuation during unemployment.

7.5 Size of partner's pension in the event of death of a Former Participant

The partner's pension in the event of death of a Former Participant is equal to the partner's pension accrued until the date of termination of the participation. This accrued partner's pension amounts:

- Per Accrual Year to 50% of the accrual percentage of old-age pension of the Pensionable Pay in that year; and
 - The partner's pension accrued until 1 January 2015;
- unless the Participant has made another choice at the end of the participation.

The risk partner's pension and the future partner's pension will lapse with effect from the date of termination of the participation.

7.6 Size of partner's pension in the event of death after pension commencement

The (Former) Participant may choose on the Pension Commencing Date to exchange part of the partner's pension for a higher old-age pension, or exchange part of the old-age pension for a higher partner's pension. Without choice the partner's pension will be the same as the partner's pension accrued until the Pension Commencing Date at the time of death of a Pensioner. This accrued partner's pension amounts:

- Per Accrual Year to 50% of the accrual percentage of old-age pension of the Pensionable Pay in that year; and
- To the partner's pension accrued until 1 January 2015.

The risk partner's pension will lapse with effect from the Pension Commencing Date. If the Pension Commencing Date is later than the AOW date the risk partner's pension will lapse with effect from the AOW date.

7.7 Distribution period of partner's pension

The partner's pension will commence on the first day of the month following the month in which the (Former) Participant or Pensioner dies. The partner's pension will be paid to the Partner up to and including the last day of the month in which the Partner dies.

7.8 Limitation of the right to partner's pension

If the Partner is guilty of or an accessory to the killing of the (Former) Participant or Pensioner, the partner's pension will consist of the partner's pension accrued until the day prior to the death.

7.9 Aspects that influence the size of the partner's pension

When the partner's pension is determined, the following aspects will be taken into account:

- a. Divorce/separation may have consequences for the size of the partner's pension. The partner's pension for the benefit of the Partner of the (Former) Participant will then be reduced by a (possibly) determined special partner's pension for the benefit of the Ex-partner;
- b. If in an Accrual Year the earlier agreed premium is lower than the cost-effective premium that is necessary to purchase the partner's pension for that year, the deficit will be charged in the first instance to the Premium Equalization Reserve of the Fund. If the resources in the Premium Equalization Reserve are not sufficient to buy the partner's pension, the pension acquisition for that year will be set lower in proportion to the deficit.

Article 8 Orphan's pension

8.1 What is orphan's pension?

An orphan's pension is the (temporary) pension that the Child of a (Former) Participant or Pensioner receives, when the (Former) Participant or Pensioner dies. In order to qualify for orphan's pension the child must meet the conditions from these rules.

8.2 Size of the orphan's pension for the Children of a Participant

For the Children of a Participant the orphan's pension consists of the following components:

- a. The orphan's pension: this amounts per Accrual Year to 40% of the accrual percentage of old-age pension of the Pensionable Pay in that year; and
- b. the orphan's pension also insured until 1 January 2015; and
- c. 14% of the old-age pension that the Participant still could have accrued until the AOW date applicable to him if he had not died. In this connection the starting points are the last Pensionable Pay and Part-time Factor at the Participant's time of death, on which occasion the Pensionable Pay will be determined in accordance with article 5.

8.3 Distribution period for orphan's pension

The orphan's pension commences on the first day of the month following the month in which the (Former) Participant or Pensioner dies.

The orphan's pension is paid to the Children up to and including the last day of the month:

- In which the definition of Child is no longer met; or
- The Child's earlier decease.

8.4 Size of the orphan's pension for the Children of a Former Participant

For the Children of a Former Participant the orphan's pension consists of the also insured orphan's pension until the date of termination of the participation. This orphan's pension amounts to 14% of the old-age pension accrued from 1 January 2018 until the end of the participation and the also insured orphan's pension until 1 January 2018.

8.5 The size of the orphan's pension for the Children of a Pensioner

For the Children of a pensioner the orphan's pension consists of the also insured orphan's pension until the time of retirement on a pension. This also insured orphan's pension amounts to 14% of the Old-age Pension accrued from 1 January 2018 until the end of the participation and the also insured orphan's pension until 1 January 2018.

8.6 Doubling of the orphan's pension

The orphan's pension will be doubled with effect from the first day of the month in which the Child becomes parentless.

8.7 Limitation of the right to orphan's pension

If the Child is guilty of or an accessory to the killing of the (Former) Participant or Pensioner, the orphan's pension will consist of the orphan's pension accrued until the day prior to the death.

8.8 Aspects that affect the size of the orphan's pension

When the orphan's pension is determined, the following aspects will be taken into account:

- a. If in an Accrual Year the earlier agreed premium is lower than the cost-effective premium that is required for the insurance of the orphan's pension for that year, the deficit will in the first instance be charged to the Fund's Premium Equalization Reserve. If the resources in the Premium Equalization Reserve are not enough to insure the orphan's pension, the insurance for that year will be set lower in proportion to the deficit;
- b. If use is made of rearrangement (article 23 and following), this will have no consequences for the size of the orphan's pension.

Increase and decrease of pensions

Article 9 Conditional supplement

9.1. Conditions for the annual supplement (increase)

Every year the Board decides whether and, if so, how much the pension claims and pension rights will be raised. This is called supplementation. Supplementation is also called indexation.

The resolution of the Board is based on the policy determined by the Fund.

The supplement is at most the Price Index. In the event that the Price Index is negative, no supplement will be granted.

The supplement is conditional. There is no right to the supplement. For this conditional supplement no reserve has been formed and no premium is paid. The supplement depends on the Fund's financial position. If a supplement is granted, the supplement will always be made with effect from 1 January of any year. If the policy cover degree lies above the level at which a full supplement is possible, it may be a question of repair of discounts earlier realized and/or make-up supplements. This will include realized discounts and/or missed supplements

that lie up to a maximum of 15 years in the past. Repair of earlier realized discounts will take precedence over supplements. Compensation will furthermore be made in chronological order. The discount or missed supplement that is most remote in time will be compensated first.

9.2 Supplement for Participants, Former Participants and Persons Entitled to a Pension

The following pension claims and pension rights qualify for supplements:

- The claims to old-age pensions, partner's pension and orphan's pension of the Participant, Former Participant and Ex-partners.
- The commenced rights to old-age pension, equalized old-age pension, partner's pension, special partner's pension and orphan's pension.

The supplements that are granted to Former Participants are always equal to the supplements that are granted to the Persons Entitled to a Pension.

9.3 Change of policy in connection with conditional supplement

The Board may change the policy in connection with the conditional supplement and/or application of that policy, if the circumstances make this necessary in the opinion of the Board. This adaption will then apply to Participants, Former Participants, Persons Entitled to a Pension as well as to persons entitled to claim a special partner's pension and equalized old-age pension.

Article 10 Reduction of pension

10.1 Possessions of the Fund must be enough to cover obligations

The possessions of the Fund together with the income to be expected must be enough to be able to cover the pension benefits now and in the future. If this is not the case and this cannot be realized sufficiently within the legal terms, the accrued pension rights and pension claims may be reduced. Statutory rules apply to this.

The principal rules have been represented in 10.2.

10.2 Reduction of pensions is only possible if the statutory requirements are met

On the strength of section 134 of the Pensions Act the Fund can reduce the accrued pension claims and pension rights. This is only possible if the following statutory requirements are met:

- a. In view of the policy cover degree the Fund meets the requirements made in section 131 of the Pensions Act about the minimum equity required or the requirements made in section 132 of the Pensions Act about the required equity; and
- b. The Fund is not able to comply with the statutory requirement of the minimum equity required or the statutory requirements of the required equity within a reasonable period without disproportionate harm to the interests of Participants, Former Participants, Persons entitled to Pension, other Future Pension Beneficiaries or the Employer; and
- c. All other available control means, with the exception of the investment policy, have been used as elaborated in the recovery plan, referred to in sections 138 and 139 of the Pensions Act.

10.3 Information obligation of the Fund

The fund will inform the Participants, Former Participants, Persons in Entitled to a Pension and other Future Pension Beneficiaries and the Employer in writing about the decision to reduce pension claims and pension rights. The reduction can be realized at the earliest one month after the Participants, Former Participants, Persons Entitled to a Pension, and other Future Pension Beneficiaries, the Employer and the supervisor have been informed on the subject.

End of participation

Article 11 Pension claims at the end of participation

11.1 Pension claims at the end of participation

At the end of the participation the Former Participant will retain the claim accrued to that time on:

- Old-age pension for his own benefit;

- Partner's pension for the benefit of his (possible) Partner;
- Orphan's pension also insured for the (possible) Children.

Pensions insured on a risk basis will lapse without value on the day of the end of the participation. This will not apply in the event of the Participant's death

11.2 Right to choose a higher partner's pension by exchange of old-age pension

At the end of participation the Former Participant is entitled to exchange part of his old-age pension for a higher partner's pension. In the event of death of the Former Participant or of the Pensioner the increased partner's pension will be paid out if the person concerned has chosen exchange at the end of the participation. The request for exchange must have been submitted to the Fund within two months after the end of participation. A further elaboration is in the Policy Rules.

11.3 Right to apply for a value transfer

At the end of the participation the former Participant is entitled to apply for a value transfer of his pension. The provisions in article 16 (value transfer) apply in this connection.

11.4 Commutation of a small pension at the end of participation on 1 January 2018 or later

For persons whose participation has ended on 1 January 2018 or later it is not possible to commute pension for an old-age pension lower than the Commutation Limit, after a period of two years after the end of the participation.

11.5 Commutation of small pensions at the end of participation before 1 January 2018

Persons whose Participation ended before 1 January 2018 may commute a pension at their own request within two years after the end of the Participation:

- if the value on the pension target date is less than the Commutation Limit; and
- as long as no automatic value transfer has been made.

11.6 Very small claims expire by operation of the law

If a participation is ended and the claim is smaller than or equal to €2.00 on an annual basis the claim will lapse to the Fund by operation of the law.

Individual continuation of participation

In the case of individual continuation of participation a distinction is made between:

- Continuation of participation in the event of occupational disability, in which connection the Fund pays the premium (article 12);
- Voluntary individual continuation of participation during a period of unemployment, on which occasion the Employer pays 60% of the premium if it is a matter of dismissal on the Employer's initiative (article 13);
- Voluntary individual continuation of participation for one's own account (article 14).

Article 12 Continuation of participation in the event of Occupational Disability

12.1 What is non-contributory continuation?

Non-contributory continuation in the event of occupational disability means that the pension accrual will (partly) be continued, in which connection the Fund will pay the premium in so far as the Participant is Occupationally Disabled.

Non-contributory continuation in the event of Occupational Disability will apply to the accrual of pension claims of old-age pension, the partner's pension and orphan's pension.

12.2 Determination of the extent of non-contributory continuation

- a) The part of the pension accrual that is eligible for non-contributory continuation depends on the extent of Occupational Disability. The extent of Occupational Disability is the percentage for which the Participant is declared Occupationally Disabled by the implementation body of the WIA on the strength of the WIA.

- b) If the Participant's Gross Salary during the period of sickness is reduced in connection with the duration of the period of sickness, it will be presumed, when the Pensionable Pay is determined, that the reduction has not been made. Premium payment and pension accrual will continue during sickness as if the salary reduction has not been made;
- c) During occupational disability a non-contributory accrual will be effected on at most 70% of the Pensionable Pay that applied on the first day of sickness. The method of determination of the Pensionable Pay follows from article 12.5.
- d) The percentage of the Pensionable Pay that qualifies for non-contributory continuation will be determined on the basis of the following table:

Extent of occupational disability	Percentage for continuation
80% to 100%	70%
65% to 80%	50,75%
55% to 65%	42%
45% to 55%	35%
35% to 45%	28%
<35%	0%

- e. If at the end of the employment the waiting period in the sense of the WIA has not passed yet, the extent of non-contributory continuation will be maximized to the extent that applies at the end of the employment.
- f. If after the end of the employment the extent of occupational disability decreases, the extent of non-contributory continuation as represented in the above-mentioned table will also decrease. If afterwards the extent of occupational disability increases again, the extent of non-contributory continuation can never increase above the extent that applied at the end of the year of employment.
- g. If immediately prior to the Pension Commencing Date the non-contributory continuation occurred on the basis of a lower percentage with application of the provisions in article 12.6 or 12.7 (concurrency), the non-contributory continuation will be effected from the Pension Commencing Date on the basis of that lower percentage.

12.3 When does non-contributory continuation begin and when does it end?

- a. Non-contributory continuation begins on the first day that the Participant is Occupationally Disabled in the sense of the WIA and meets the other conditions from these rules.
- b. The non-contributory continuation ends on the day on which the WIA benefit of the Participant is stopped, but at the latest on the Pension Commencing Date.
- c. If the WIA benefit has stopped because the Participant was less than 35% Occupationally Disabled, but is granted again within four weeks after it had been stopped, the non-contributory condition will be deemed not to have ended.

For the (Former) Participant who becomes Occupationally Disabled the participation may be continued in a non-contributory manner for the occupationally disabled part as long as a WIA benefit is received, only in so far as the Employer no longer has an obligation to the person concerned to continue payment on the strength of the law or the collective labour agreement or other applicable schemes that have been agreed with the trade unions. The (partial) non-contributory continuation of the pension accrual will start on the first day of the month following the month in which the obligation to continue payment ends.

12.4 Conditions for non-contributory continuation

- a. The right to non-contributory continuation of the participation exists if the first day of sickness, as defined in the WIA, falls on or after the start of the participation, but before the end of the Employment.

- b. To qualify for non-contributory continuation, this must have been reported to the Fund by the (Former) Participant within one year after the beginning of the right to the WIA benefit.
- c. The (Former) Participant is also entitled to non-contributory continuation if at the end of the waiting period for the WIA he is declared less than 35% Occupationally Disabled and receives no WIA benefit, but becomes Occupationally Disabled for more than 35% as yet within four weeks after the end of the waiting period for the WIA and becomes entitled to WIA benefit as yet. In that case the first day of sickness will be the first day of sickness of the original waiting period.
- d. There is no right to non-contributory continuation with the Fund for the extent of Occupational Disability that already existed at the beginning of the participation.

12.5 Pensionable Pay that applies as a basis for the non-contributory continuation

- a. The Pensionable Pay that applies to the non-contributory continuation will be based on the Gross Salary to at most the Salary Limit that applied in the year in which the first day of sickness occurred (for 2019: €107,593). Besides the Part-time Factor applies to the first day of sickness.
- b. This salary is adapted annually at 1 January with the Metalektro Wage Index;
- c. The Pensionable Pay for the non-contributory continuation will be calculated anew annually on the basis of the new data including the salary and the Franchise. The Franchise to be used is always the Franchise of the relevant year.

12.6 Concurrence of non-contributory participation and pension accrual with the Fund

If, alongside his non-contributory participation, the Participant also accrues pension in the Fund's pension scheme, the total of the pension claims to be accrued simultaneously may not exceed 100/70 times the claims that he would acquire in the event of complete non-contributory participation (Occupational Disability of 80 to 100%) in the Fund. Any surplus will be deducted from the claims that are acquired on the ground of non-contributory participation.

12.7 Concurrence of non-contributory participation and pension accrual elsewhere

If, alongside his non-contributory participation, the Participant accrues pension with another pension provider than the Fund, the Participant will be obliged to report this to the Fund.

The Board can deduct these claims from the claims that were acquired on the basis of non-contributory participation.

12.8 Pension loss in the event of reintegration

If a Participant to whom continuation has been granted starts to participate in a(n) (other) pension scheme after partial revalidation, the following will apply. If consequently the total pension accrual becomes lower than the claims that would have been insured with the Fund in the old situation, the Board may grant extra claims at the Participant's request. If the Participant uses more than the remaining occupational ability in the new employment, the partial non-contributory participation must be reduced in proportion to this excess.

12.9 Continuation after termination of the participation during sickness

The Board may grant a partner's pension and orphan's pension to the Partner and Children of a Former Participant who dies before the start of his WIA benefit. This partner's pension and orphan's pension will be calculated as if continuation of the participation had been granted on the basis of an Occupational Disability of 80 to 100%. This grant must comply with the applicable fiscal legislation and regulations.

12.10 Premium payment and pension accrual during sickness

If the salary is reduced during the period of sickness in connection with the duration of the period of sickness, it will be presumed, when the Pensionable Pay is determined, that the reduction has not been made. Premium payment and also pension accrual will continue during sickness as if the salary reduction had not been made.

Article 13 Voluntary continuation of the participation during unemployment

13.1 General provisions

- a. The Participant who receives unemployment benefit following the termination of the Employment with the Employer may continue the pension accrual on certain conditions on the basis of an adapted Pensionable Pay.
- b. Continuation of the participation entails that both the accrual is continued and the cover of the risks remains intact until the AOW date at the latest.
- c. The Former Participant must apply for the continuation to the Fund in writing within 1 year after leaving the employment.

13.2 Duration of voluntary continuation during unemployment

The voluntary continuation of the participation begins on the day after the Employment with the Employer has ended and will continue as long as the Participant receives wage-related unemployment benefit.

13.3 Pensionable Pay during continuation with right to employment benefit

- a. The Participant with the right to unemployment pension benefit who continues the pension accrual during unemployment will accrue pension on the basis of 70% of the last Pensionable Pay determined during participation.
- b. The Pensionable Pay and the Gross Salary will subsequently be calculated again annually at 1 January on the basis of the updated data. The Participant's last Gross Salary is indexed on that occasion on the basis of the Metalektro Wage Index. The Franchise to be used is always the Franchise of the relevant year.

13.4 Premium in the event of continuation with the right to unemployment benefit

The Participant who continues the pension accrual during unemployment owes 40% of the pension premium. The premium is calculated on 70% of the Pensionable Pay. The Fund takes the balance for its account. The Employer takes the balance of the Premium for its account if the dismissal was given on the Employer's initiative.

13.5 End of the continuation

The continuation of the participation ends at the time that

- The period ends for which the continuation is permitted;
- The Participant wishes to terminate the continuation. This moment can only lie in the future;
- The old-age pension commences, but at the latest on the AOW date;
- The Participant dies;
- For that part for which the Participant is going to participate in a compulsory pension scheme;
- The Participant no longer meets the conditions set or the statutory requirements;
- After it has been impossible to collect the premium two times in a row; in that case the continuation will lapse from the first day of the month for which no payment has been made.

Article 14 Voluntary continuation of the participation

14.1 General provisions in the event of continuation

- a. If the participation ends entirely otherwise than as a result of death or retirement on a pension, the Participant may choose to continue the participation consecutively and for his own account.
- b. Continuation of the participation entails that the accrual is continued and the cover of the risks is maintained until at the latest the AOW date.

- c. The Former Participant must apply for the continuation to the Fund in writing within one year after leaving the employment.
- d. In the Policy Rules further provisions are included for the continuation.

14.2 Duration of voluntary continuation

The voluntary continuation of the participation will start on the day that the participation ends. The participation can be continued at most three years after dismissal on the following (accumulative) conditions:

- In principle the scheme must be continued without change. Improvement of the pension scheme during the voluntary continuation is only permitted in so far as it concerns a collective improvement, that is primarily intended for the Employees of the former Employer, not being the partner of the former Employer or relatives by blood and affinity in the direct line of the former Employee or his Partner;
- Voluntary continuation is not possible if the Former Participant simultaneously participates in a pension scheme of a possible new employer or accrues in a professional or industry-level pension scheme;
- The voluntary continuation may not start within the period of three years before the Pension Target Date, unless the person seeking continuation actually receives income from present labour or if he makes it plausible that he is unable to generate income from present labour for medical reasons.

The continuation period can be extended to a maximum of 10 years as long as the conditions from the decision of the Decree of 24 November, no. 2017-126948 are met.

14.3 Determination of Pensionable Pay during continuation

- The participation is continued on the basis of the latest Pensionable Pay and Part-time Factor determined during the participation in the pension scheme;
- The Pensionable Pay and the Gross Salary are subsequently calculated anew annually with effect from 1 January on the basis of the current data. On that occasion the Participant's last Gross Salary is indexed on the basis of the Metalektro Wage Index. The Franchise to be used will always be the Franchise of the relevant year;
- From the fourth year of continuation the Gross Salary will be determined on the basis of the applicable fiscal conditions.

14.4 Premium in the event of continuation

The Participant who continues the pension accrual owes the full pension premium. The premium is calculated on 100% of the last Pensionable Pay determined prior to the start of the continuation.

14.5 End of the continuation

The continuation of the participation will end at the time that:

- The period ends for which the continuation is permitted;
- The Participant wishes to terminate the continuation. This moment can only lie in the future;
- The old-age pension starts but at the latest on the AOW date;
- The Participant dies;
- The Participant participates in a compulsory pension scheme;
- The Participant no longer meets the set conditions or the statutory requirements.
- In the event of continuation on the basis of the conditions from the Decree of 24 November 2017 2017-126948, a period of continuation of 10 years has been reached.
- After it has been impossible to collect the premium two times in a row; in that case the continuation will lapse from the first day of the month for which no payment has been made.

Commutation of small pension and value transfer

Article 15 Commutation of small pensions

15.1 General provisions of commutation

Commutation of small pensions is permitted if the amount on an annual basis on the Pension Target Date is lower than the Commutation Limit as provided in section 66 of the Pensions Act.

In the event of commutation of a pension the accrued claim on pension will be recalculated to one amount (the cash value). After payment of this amount there will no longer be any claims on the Fund. Any arrangement contrary to the above-mentioned possibilities of commutation is void.

For the calculation of the lump-sum payment use is made of commutation factors that are the same for all Participants and Former Participants and in respect of which it is a question of collective actuarial equality. The commutation factors are mentioned in the Policy Rules. When the amount of the lump sum is calculated, no distinction is made between men and women.

15.2 Which pensions qualify for commutation?

The Fund has the possibility of commuting small pensions without consent of the Future Pension Beneficiary or Person Entitled to a Pension. This applies to:

- Small old-age pension and the corresponding partner's pensions and orphan's pensions, if the pension provider has tried in vain to transfer the claims to a new provider at least five times during at least five years from 2019 (section 66(c) of the Pensions Act);
- If the pension ended between 1 January 2018 and 1 January 2019, small old-age pension and other pensions, if the pension provider has tried in vain to transfer the claims to a new provider at least five times during at least five years from 2019 (section 66 (1c) of the Pensions Act);
Small partner's pension in the event of the Participant's death (section 67 of the Pensions Act);
- Small orphan's pension in the event of the Participant's death (section 67 of the Pensions Act);
- Small special partner's pension in the event of Divorce (section 68 of the Pensions Act).

The Fund will inform the Former Participant, Person Entitled to a Pension, Partner, Child or Ex-partner about the commutation within six months after the time at which the right to commutation is created and will also proceed to payment within this period of six months. After the payment of this amount there will no longer be any claims on the Fund.

15.3 Commutation more than two years after the end of participation before 2018

At the request of the Former Participant whose participation ended before 1 January 2018 amounts under the statutory commutation limit may be commuted in the meantime, at least two years after the end of participation.

If the Pension Target Date is reached within the period of two years, the commutation may be made prior to the end of the two-year period.

If an old-age pension claim is commuted, the claims or partner's pension and orphan's pension included in the insurance are also commuted.

The commutation amount of the special partner's pension will be made available to the Ex-partner.

After the payment of the commutation amount there will no longer be any claims on the Fund.

15.4 Withholdings

The statutory premiums and taxes will be withheld from the gross commutation amount. The net commutation amount will be paid out to the interested person in a lump sum.

15.5 Policy rules

These possibilities of commutation have been further elaborated in the Policy Rules.

Article 16 Individual value transfer

16.1 Individual value transfer from another pension provider to the Fund

A Participant who starts to work for the Employer on the basis of an Employment is entitled to apply to the Fund for value transfer of pension claims accrued with another pension provider. The transfer of pension claims accrued with another pension provider to the Fund is called "incoming value transfer".

In the event of an incoming value transfer the Participant has the choice to use the incoming values for:

1. extra pension claims in accordance with the Pension Rules 2015; or
2. extra pension claims in accordance with the Pension Rules 2015, with the extra claims on partner's pension amounting to 70% of the extra claims on old-age pension in deviation from the Pension Rules 2015.

In the event of an incoming value transfer the Participant will acquire extra pension claims in accordance with the Pension Rules 2015 after the value transfer. After completion of the value transfer the Participant will no longer have pension claims on the pension provider who transferred the pension claims to the Fund.

To be able to apply for an incoming value transfer there must have been an individual termination of the Employment or an individual termination of the participation in a pension scheme on the part of the Participant. Furthermore the other statutory conditions must be met, including the statutory rules for calculation and procedure.

16.2 Individual value transfer from the Fund to another pension provider

A Former Participant is entitled to apply to his new pension provider for value transfer of the pension claims on the Fund accrued until the dismissal date. The transfer of the pension claims accrued with the Fund to another pension provider is called "outgoing value transfer".

In the event of an outgoing value transfer extra pension claims will be granted by the pension provider performing the takeover. After completion of the outgoing value transfer the Participant will no longer have pension claims on the Fund.

In order to be able to apply for an outgoing value transfer there must have been an individual termination of the Employment or an individual termination of the participation in a pension scheme on the part of the Former Participant. Furthermore the other statutory conditions must be met, including the statutory rules for calculation and procedure.

16.3 Automatic value transfer of Small pension

The Fund will automatically transfer a Small pension of someone who is a Former Participant to the new pension provider of the Former Participant.

If the pension provider has attempted in vain at least five times, during at least five years, to transfer the claims to a new provider (section 66 (1c) of the Pensions Act) the Fund will have the possibility of commuting the claim as yet unilaterally.

16.4 Consent of Partner in the event of outgoing value transfer

If a Former Participant exercises the right to an outgoing value transfer, all the pension claims accrued by him with the Fund will be included in the value transfer. The accrued claims on partner's pension will only be transferred along with the Partner's consent. In the event of automatic transfer of Small pension no consent of the partner will be required.

16.5 Special partner's pension is left behind

The special partner's pension is left behind with the Fund and is not included in the outgoing value transfer.

16.6 Individual value transfer that does not fall under statutory law

In the event of a request for individual incoming or individual outgoing value transfer that does not fall under statutory law all parties concerned must consent separately to the value transfer. In principle the Fund will cooperate in the value transfer but may attach conditions to that. The further handling will be effected in accordance with the provisions that the Pensions Act imposes on such a value transfer.

Special situations:

Pension Accrual during Leave

Divorce

Article 17 Leave

17.1 General

In the event of unpaid leave no accrual of pension will occur and no premium will be payable in principle.

In the event of paid forms of leave the pension accrual will continue unchanged as if there was no question of leave. Premium must also be paid. The premium is surrendered by the Employer.

During all forms of unpaid leave the occupational-disability and death risks are covered during a maximum of 18 months as if no leave is taken.

17.2 Only possible within legislation and regulations

Accrual of pension claims or risk covers during periods of leave will only be possible in so far as this is permitted according to applicable (fiscal) legislation.

17.3 Parental leave

The Participant may choose whether during the period of parental leave the pension accrual including risk covers will be continued. This choice must be made at the start of the parental leave. In the event of parental leave the employer pays 60% of the premium (see article 20).

17.4 Choice during unpaid leave

The choice for half (50%) or complete (100%) continuation of the participation during unpaid leave is made once at the start of the unpaid leave. This choice cannot be changed.

17.5 Policy Rules

The further rules and elaboration of leave and pension have been laid down in the Policy Rules.

Article 18 Divorce

18.1 Equalization of pension rights

a. General

On the strength of the Act on Equalization of Pension Rights in the event of Divorce an Ex-partner is entitled to part of the old-age pension that has been accrued during the marriage or registered partnership. We call this the equalized old-age pension.

If the Equalization has been reported to the Fund within a period of two years, the Ex-partner is entitled to payment of the equalized old-age pension by the Fund. The Ex-partner is entitled to equalization of the old-age pension in the following cases:

- Divorce
- legal separation;
- termination of registered partnership.

The Divorce Date is the equalization date. In the event of termination of a Joint Household there is no right to equalization of the old-age pension in principle.

In the event of termination of a Joint Household the Fund can apply this article as if it is a matter of Divorce if both parties have agreed this in a written agreement or deed executed before a notary which is made available to the Fund.

b. The equalized old-age pension follows the choices of the (Former) Participant or Pensioner

The equalized old-age pension is a dependent right. This means that the part of the old-age pension to which the Ex-partner is entitled depends on the old-age pension of the (Former) Participant or Pensioner. The equalized old-age pension follows any choices of the old-age pension that the (Former) Participant or Pensioner can make on the basis of applicable pension rules and/or the law, such as the time of pension commencement or value transfer to another pension provider.

c. Distribution period

The equalized old-age pension commences on the Participant's Pension Commencing Date and is distributed to the Ex-partner until the last day of the month in which the Pensioner dies. If the Ex-partner dies earlier than the pensioner, the distribution of the equalized old-age pension will end on the last day of the month in which the Ex-partner dies. After that the equalized old-age pension will be paid to the Pensioner.

d. Size of the equalized old-age pension

The size of the equalized old-age pension is determined in accordance with the standard equalization from the Act on Equalization of Pension Rights in the event of Divorce. This is done in another manner, if something else has been agreed in the prenuptial agreement or in a separate written agreement about the Divorce.

e. Equalized old-age pension cannot be exchanged

The equalized old-age pension cannot be exchanged for a partner's pension for a new Partner of the (Former) Participant or Pensioner.

f. No equalization if the equalized pension is smaller than the Commutation Limit

There will be no equalization if the pension to be equalized would become smaller than the Commutation Limit after completion of the equalization.

g. Costs for equalization

The Fund will not charge any costs to the (Former) Participant and the Ex-partner for equalization.

18.2 Conversion

a. Conversion of special partner's pension and equalized old-age pension

At the joint request of the Ex-partner and the (Former) Participant the part of the old-age pension to be equalized together with a possible special partner's pension can be converted into an independent claim of old-age pension for the Ex-partner instead of equalization. The Fund must also give written consent for the conversion. A conversion is irreversible.

b. Costs for Conversion

The Fund will not charge costs to the (Former) Participant and Ex-partner for Conversion.

18.3 Special partner's pension

a. General

In the event of Divorce of the Participant, Former Participant or Pensioner the Ex-partner is entitled to the claim on partner's pension accrued until the time of the Divorce. This claim is called a "special partner's pension". The Ex-partner is entitled to special partner's pension in the following cases:

- divorce;
- termination of registered partnership;
- termination of Joint Household.

In the event of legal separation there will be no right to special partner's pension. If a Former participant or Pensioner has made use of the possibility of exchange of old-age

pension and partner's pension, this will have consequences for the claim on a special partner's pension in the event of Divorce.

b. Distribution period of the special partner's pension

The special partner's pension commences on the first day of the month following the month in which the Participant, Former Participant or Pensioner dies and will be paid to the Ex-partner up to and including the last day of the month in which the Ex-partner dies.

c. Size of the special partner's pension

The special partner's pension is equal to the partner's pension accrued at the time of Divorce. In the event of several divorces account will be taken of a special partner's pension split off earlier.

d. Relinquishing the special partner's pension

The Ex-partner can waive the special partner pension (in full or in part). This must be regulated in the prenuptial agreement, conditions of registered partnership, notarial deed in connection with the Joint Household, a written agreement in view of the end of the partner relationship. Besides the Fund must also give permission for the waiver of the special partner pension.

e. The alienation of the special partner pension

After the death of the (Former) Participant or Pensioner the Ex-partner can alienate (transfer) the special partner pension in full or in part to an earlier or later Partner of the (Former) Participant or a Pensioner. This must be laid down in a notarial deed. The Fund must also give written permission for the alienation. An alienation is irrevocable.

Financing: Amount of the premium and the deductible for the Participant

Article 19 Financing of pension scheme

19.1. Determination of the premium

For the financing of the pensions of the scheme reference is made to the Implementation Agreement of the Fund. The scheme comprises the pensions described in article 4. The premium of the scheme is calculated on the Pensionable Pay. The percentage is determined by the board every five years. The fixed annual premium (including the contributions of the Participants) for the period from 1 January 2018 up to and including 31 December 2020 amounts to 27.1% of the sum of the pensionable pays of the employees who participate in this pension scheme.

19.2 Premium Equalization Reserve

If in a particular year the previously determined pension premium referred to in the preceding paragraph that the Employer makes available is not enough to realize the intended pension accrual for that year, the deficit will be charged in the first instance to the Premium Equalization Reserve, in so far as resources are available for the purpose. If the Premium Equalization Reserve should not be enough and the board sees no suitable possibility of making up this deficit in another way on the strength of legislation and regulations, the pension accrual and risk cover for that year will be set lower in proportion to the deficit (for the old-age pension as well as the partner's pension and orphan's pension). For the financing of the pension scheme the relevant rules in the implementation agreement of the Fund apply accordingly.

19.3 Working part-time

For the Participant who works part-time the premium that is payable to the Fund is calculated on the Pensionable Pay multiplied by the Part-time Factor. This also applies to the calculation of the deductible in the premium of the Participant himself.

19.4 Deductible of the Participant in the premium

a. The premiums are payable by the Employer;

- b. The Participant owes the Employer a contribution to the premium. This contribution amounts to 40% of the total premium that is payable by the Participant. The Participant's contribution is deducted by the Employer from the salary in monthly instalments.

The premium that a Participant owes the Fund for his continuation of the participation will be entirely for account of the Participant himself, unless one of the situations from article 12 or 13 applies.

Article 20 Premium payment in special circumstances

20.1 Premium payment in the event of occupational disability

For the Participant who is (partly) Occupationally Disabled and continues the pension scheme in a non-contributory manner the Fund will take over the premium payment for the scheme for the part that the Participant is Occupationally Disabled. The prescriptions from article 12 apply to this.

20.2 Participant's contribution in the event of continuation during parental leave

If the Participant chooses to continue the pension accrual during parental leave, the pension accrual including risk covers will be continued for the parental leave part as if no leave is taken.

20.3 Participant's contribution to continuation during other forms of unpaid leave

A Participant who chooses continuation of the pension scheme during unpaid leave will, in principle, pay the premium corresponding to the unpaid leave part himself. A Participant who does not choose continuation of the pension scheme during unpaid leave will owe premium for the number of hours for which no leave is taken. For the unpaid leave part the Participant will owe no premium. There will then be no accrual of pension for the hours for which leave has been taken.

20.4 Participant's contribution in the event of voluntary continuation without unemployment benefit

If the Participant voluntarily continues the participation, he will pay the entire premium himself. The conditions from article 14 apply to this.

20.5 Participant's contribution in the event of voluntary continuation during unemployment

For the period that the Participant continues during unemployment and also receives unemployment benefit, he will pay 40% of the premium on 70% of the Pensionable Pay that applied prior to the first day that he became unemployed.

When the pension commences: applying for the pension benefit and options at the time of retirement on a pension

Article 21 Application for and payment of pension benefits

21.1 Application for old-age pension

The (Former) Participant must apply to the Fund for benefit in writing at least three months before the desired commencing date of the old-age pension. The Board may make the benefit dependent on the documents to be submitted by the (Former) Participant from which the right to distribution appears.

21.2 Payment of pension benefits

- The pension will be paid out - with deduction and surrender of the statutory withdrawals - in monthly instalments at the end of every calendar month;
- The monthly benefit amounts to 1/12 of the annual pension;
- Pension claims from several participation periods will be added up on the Pension Commencing Date. Subsequently the total pension will be paid out;
- The payments will be made in euros into a bank account stated by the Person Entitled to a Pension.

21.3 Commutation of pension below the Commutation Limit

If the pension on the Pension Commencing Date is lower than the Commutation Limit, the Fund will make a proposal to convert the periodical benefit into a lump sum, as described in article 15. If desired, the Participant will retain a right to periodical benefit instead of a lump sum.

21.4 Further elaboration

The method of application and payment of pensions has been laid down in more detail in the Policy Rules.

Article 22 Options when the pension commences

22.1. General Provisions

A (Former) Participant can make a number of choices when the pension commences. This is called rearrangement.

The (Former) Participant has the following options when the pension commences:

- Part-time retirement on a pension (the old-age pension starts in part);
- Bringing forward or postponing the Pension Target Date (the old-age pension starts sooner or later);
- Exchange of claims on old-age pensions and partner's pension;
- High/low benefit old-age pension or low/high benefit old-age pension.

Combinations of these options are also permitted in the order mentioned above. A choice for rearrangement, once made, will be maintained at the next moments of choice. Choices, once made, cannot be undone any more from the (first) Pension Commencing Date.

22.2 Only accrued pension claims can be rearranged

Only pension claims that have (already) been accrued will qualify for rearrangement. Pension claims on a risk basis, such as partner's pension on a risk basis, or orphan's pension do not qualify for rearrangement.

22.3 Fiscal and regulatory limitations

Fiscal and regulatory limitations apply to the rearrangement of pension claims. The Fund will inform the Former Participant about this, if his request for adjustment exceeds the fiscal and/or regulatory limits.

Any fiscal consequences in connection with the rearrangement will be entirely for account of the relevant (Former) Participant.

22.4 Rearrangement of pension not below the Communication Limit of small pensions

As a result of the choice of rearrangement the old-age pension must not drop below the Commutation Limit for small pension applicable in the year of commencement of the old-age pension. In that case the choice(s) of rearrangement will have to be made in such a manner that the old-age pension will continue to remain above the Commutation Limit.

If after application of the different possibilities of rearrangement a partner's pension is left, this remaining partner's pension may in principle not be lower than the Commutation Limit applicable in the year of commencement of the old-age pension.

22.5 Consent of Partner (if any) is required

In all cases in which the choice of rearrangement leads to a lower partner's pension the consent of the Partner (if any) will be required.

22.6 Actuarial tables

In the rearrangement of the pension claims calculating is done on the basis of the actuarial and gender-neutral factors to be determined by the Board. These factors have been laid down in the Policy Rules.

22.7 Elaboration in Policy Rules

The possibilities of rearrangement have been elaborated in more detail in Policy Rules.

Article 23 Part-time retirement on a pension

23.1 Part-time retirement on a pension

The Participant may choose to have the pension commence in part. The percentages whereby the Participant may have the pension commence in part and the further conditions applicable have been elaborated in the Policy Rules. For the part of the pension that has already commenced, any choices once made cannot be unmade anymore from the (first) Pension Commencing Date.

For the part of the pension claims that has not commenced yet, the part-time pensioner will remain a Participant.

A part-time pensioner who is still in the Employer's Employment will continue to accrue pension for the remainder of the Employment to at the latest the AOW date.

Article 24 Early old-age pension

24.1 Earliest Pension Commencing Date

The (Former) Participant may have his pension commence earlier than the Pension Target Date. The pension can be brought forward entirely from the first day of the month in which the (Former) Participant turns 55.

24.2 No Employment if there are more than five years before the age that gives title to AOW pension

If the pension commences more than five years before the age that gives title to the AOW pension applicable to him, the Former Participant must declare to the Fund that he no longer intends to perform paid work. This also applies if the (Former) Participant chooses partial commencement of his pension.

24.3 Recalculation of pension in the event of earlier commencement

The total old-age pension accrued will be recalculated to the new Pension Commencing Date in connection with pensions brought forward. As a result of this recalculation the claim on old-age pension will become lower.

24.4 Application for bringing a pension forward at the latest three months

An application for bringing forward the Pension Commencing Date must have been submitted to the Fund at the latest three months before the desired Pension Commencing Date. The pension will commence on the desired Pension Commencing Date but at least three months after the request for bringing the pension forward has been received by the Fund. Only the first day of the calendar month will qualify as commencing date. >>2871

24.5 No pension can be brought forward during unemployment

The Participant who continues the pension accrual in connection with unemployment cannot retire on a pension early as long as he receives wage-related benefit on the strength of which he continues the participation in the pension scheme.

If he states to the Fund that an application for termination of the benefit has been made to the UWV – with effect from the earlier Pension Commencing Date - the pension may commence at that time.

24.6 Bringing a pension forward during occupational disability

The Participant who continues the pension accrual in connection with occupational disability may bring the pension forward. In that case the non-contributory continuation will be stopped.

Article 25 Postponement of Pension

25.1 Postponement to at most five years after the AOW date

The Participant may have his pension commence later than the Pension Target Date. This is possible until at the latest the first day of the month of the AOW date applicable to the (Former) Participant plus five years. It is not required that pension commences immediately following the Employment.

During the postponement period no further acquisition of the old-age pension, partner's pension and orphan's pension will be effected.

25.2 Recalculation of pensions in the event of postponement

The total old-age pension accrued before the Pension Target Date will be recalculated in connection with the postponement to the new Pension Commencing Date. As a result of this recalculation the claim on old-age pension will become higher.

25.3 Request for a postponement within three months before the Pension Target Date

A request for postponement of the Pension Commencing Date must at the latest have been submitted to the Fund three months before the Pension Commencing Date. The actual pension application must have been submitted to the Fund three months before the desired Pension Commencing Date. Only the first day of a calendar month qualifies as commencing date of the postponed pension.

Article 26 Exchange of pension claims

26.1 Exchange of pension claims

The exchange of pension claims is the conversion of (part of) the accrued old-age pension claims for partner's pension claims, or vice versa.

The risk part of the partner's pension and the orphan's pension do not qualify for exchange. The special partner pension for the benefit of an Ex-partner does not qualify for exchange.

The Future Pension Beneficiary or Person Entitled to a Pension is entitled to choose exchange within the Pension Rules 2015.

26.2 Exchange moments and period of choice

The (Former) Participant must make his choice known to the Fund at the time of the Pension Application. If the (Former) Participant requests earlier pension commencement he may use the different possibilities of exchange.

26.3 Exchange of old-age pension for partner's pension

In this form of exchange the (Former) Participant may exchange (part of) the old-age pension for a higher partner's pension. The old-age pension will become lower as a result of this.

26.4 Exchange of partner's pension for old-age pension

As a result of this form of exchange the (Former) Participant may exchange (part of) the partner's pension for extra old-age pension. The accrued partner's pension will then be lowered or be cancelled.

Article 27 Variation in the amount of the pension benefit: high/low and low/high

27.1 High/low old-age pension benefit

- a. The (Former) Participant may choose once for variation in the amount of the old-age pension;
- b. The lowest benefit is not less than 75% of the highest benefit. In that connection an amount equal to at most twice the AOW for married persons, increased by the holiday allowance, may be left out of consideration until the AOW date.

The periods will begin on the first day of the calendar month.

The choice of high/low does not affect the amount of the partner's pension and orphan's pension.

Statutory exemption scheme

Article 28 Exemption because of conscientious objections

28.1 Employee's exemption because of conscientious objections

The Employee who, according to the National Insurance (Funding) Act, has conscientious objections to any form of insurance may obtain exemption from participation and premium payment to the Fund. The Employee must make his conscientious objections plausible to the Board. This is done by filling in and signing a model statement drawn up for the purpose by the Fund. The Fund may attach conditions to the exemption. If the Participant is married or has a registered partnership or a Joint Household, the Partner must also agree to the application to be considered a conscientious objector.

28.2 Savings contribution is payable

For the exempted Employee a savings contribution is payable to the Fund. This savings contribution is equal to the premium that would be payable for the Employee if no exemption had been granted. The savings contribution is charged to the Employer. The Employer may deduct 40% of these savings contributions from the salary of the exempted Employee.

28.3 Savings contribution in savings account

The savings contribution that the Fund receives for an exempted Employee will be entered into a blocked savings account, with deduction of 4% of the savings contribution for administrative charges. This savings account is in the name of the exempted Employee. Annually at 1 January interest is added on the balance of the savings account until the Pension Target Date. The interest percentage is the so-called U-yield of the preceding year. The U-yield is an average of the interest that is paid by the government on government bonds.

28.4 Payment of the balance of savings

The exempted Employee cannot dispose of the balance of savings freely.

- From the Pension Target Date the savings balance will be supplied to the exempted Employee, as a monthly constant distribution, during 50 years;
- In the event of death before the Pension Target Date the balance of savings will be supplied during 15 years as a monthly constant distribution to the Partner of the exempted Employee. If there is no Partner, the distribution will be made to the Children. The distribution to them will end at the same time as an orphan's pension would end;
- In the event of death after the Pension Target Date the remaining part of the balance will be distributed to the Partner in monthly constant instalments during the remaining period. If there is no Partner, the distribution will be made to the Children. The distribution to them will end at the same time as an orphan's pension would end;
- If there is no Partner or Children (anymore), the full (remaining) balance will be distributed to the heirs.

28.5 Termination of the exemption

The exemption granted to an Employee will be terminated in the following situations:

- At the request of the exempted Employee;
- If in the opinion of the Board the conscientious objections are no longer present;
- If the conditions set by the Fund are not observed by the exempted Employee.

After termination of the exemption the pension scheme will as yet come fully into force for the exempted Employee. The savings contributions paid for and by him will then be considered paid premiums.

Information supply

Article 29 Information supply

29.1 Information by the Fund to the Future Pension Beneficiaries and Persons Entitled to a Pension

- a. The Fund will inform the (Former) Participants, other Future Pension Beneficiaries and Persons Entitled to a Pension in the manner that the Fund considers important to give a good insight into their pension situation. In this connection the Fund will at least observe the statutory prescriptions.
- b. A further elaboration of the manner of information supplied by the Fund can be found in the Policy Rules. The Policy Rules among other things contain:
 - Information at the start of the participation;
 - Information at the end of the participation;
 - Information to Future Pension Beneficiaries and Persons Entitled to a Pension periodically;
 - Information to Ex-partners in the event of Divorce;
 - Information prior to Pension Commencement;
 - Information about voluntary schemes.

29.2 The information duty of the (Former) Participant, other Future Pension Beneficiaries and Persons Entitled to a Pension

- a. Every (Former) Participant, other Future Pension Beneficiaries and Persons Entitled to a Pension will be obliged to supply all data and documentary evidence to the Fund of which the Fund thinks that these data or documents are necessary for the performance of the Pension Rules 2015.
- b. Every (Former) Participant, other Future Pension Beneficiary and Person Entitled to a Pension is obliged to report to the Fund as soon as possible any (presumable) incorrectness or incompleteness in pension statements and/or correspondence of the Fund knowable to him.
- c. If (salary) statements and/or other data have not been supplied to the Fund, not correctly, not in a timely manner or not completely, the board will be empowered, with observance of the relevant legislation and regulations, to make the consequent changes in claims, rights and/or premium levies - whether or not with retroactive effect.

Collective additional scheme

Article 30 Collective additional scheme

30.1 Right to a WIA top-up pension

The Participant or Former Participant who becomes occupationally disabled according to the Act on Work and Income according to the Capacity for Work (WIA) may be entitled to a WIA top-up pension, provided that he was a Participant in the sense of the WIA on the first day of the waiting time in the sense of the WIA. A possible termination of the participation will therefore not prevent the possibility of the grant of a WIA top-up pension.

If the Participant or a Former Participant who is declared occupationally disabled for less than 35% by the UWV after the end of the waiting time in the sense of the WIA, but is declared occupationally disabled as yet for more than 35% within four weeks, a WIA top-up pension will be granted as yet with effect from the day on which he is declared more than 35% as yet.

There is no right to a WIA top-up pension for the Participant or Former Participant who was in the waiting time in the sense of the WIA at the start of the participation. This exclusion will no longer apply from the time that the Participant or Former Participant has interrupted his waiting time in the sense of the WIA for such a time that the UWV consequently determines renewed inability for work in the sense of a new (first) day of sickness.

There is no right to a WIA top-up pension for the Participant or Former Participant who already receives a WIA benefit at the start of the participation. An increase of the extent of occupational disability does not lead to a WIA top-up pension either. This exclusion no longer applies from the time that the WIA benefit has already been withdrawn for at least four weeks because the Participant or Former Participant has become occupationally disabled for less than 35%.

30.2 Claim

If the Participant's Gross Salary multiplied by the Part-time Factor exceeds the maximum annual wages for the calculation of the distributions in pursuance of the WIA, a supplement will be distributed on that part, only in so far as the Employer has no obligation to continue payment anymore on the strength of the law or the collective labour agreement or other applicable schemes that have been agreed with the trade unions. The Gross Salary is the last Gross Salary determined before termination of the employment with the Employer (multiplied by the Part-time Factor) in so far as it exceeds the maximum annual wages for the calculation of the WIA. The supplement mentioned in the preceding sentence will never be more than 70% of the last Gross Salary (multiplied by the Part-time Factor) in so far as it exceeds the maximum annual wages for the calculation of the WIA.

In the event of an occupational disability in the sense of the WIA of less than 18% the annual WIA top-up pension amounts to a percentage of the WIA top-up pension calculated in the preceding paragraph equal to:

Extent of occupational disability	Percentage
65% to 80%	72.50%
55% to 65%	60%
45% to 55%	50%
35% to 45%	40%
0% to 35%	0%

If a change (both an increase and a decrease) occurs in the extent of occupational (dis)ability of a Person Entitled to a Pension that is of such a nature that one of the other above-mentioned distribution percentages becomes applicable, adjustment of the distribution to the new distribution percentage will be made from the date on which the new occupational disability percentage has taken effect.

If the occupational disability percentage drops below 35%, the WIA top-up pension ends. If, however, the UWV grants the WIA benefit again within four weeks to the former Person Entitled to a Pension, the WIA top-up pension will also be granted again from the same date on the basis of the then applicable occupational disability percentage.

30.3 Commencing date

The commencing date of the WIA top-up pension is the first day of the month following the one in which the obligation to continue payment referred to in article 12.3 ends.

30.4 End date

The WIA top-up pension will end if the Person Entitled to a Pension

- Dies;
- Becomes entitled to AOW benefit;
- Is less than 35% occupationally disabled as a result of revision of the occupational disability percentage as referred to in the WIA
- No longer meets the conditions set.

Transitional provisions

Article 31 Conversion of claims with a pension target age of 67 into claims on a pension target age of 68

1. The claim accrued on 31 December 2017 of the (Former) Participant on old-age pension from the Pension Scheme 2015 including the granted indexation will be converted with effect from 31 December 2017 also with observance of the provisions in section 18d (1) and (2), of the Wage Tax Act 1964 into a claim on old-age pension with a pension target age of 68. The conversion factor for this has been set at 1.063.
The conversion factor for the Conditional Extra Old-age Pension (VXOP) is 1.06291.
2. Conversion will be done on the basis of collective actuarial equality. The factors are equal for Participants and Former Participants.
3. The claims on special partner's pension existing on 31 December 2017 will not be converted. The provisions existing since 1 January 2018 in respect of indexation of pensions and claims will apply, however.
4. The rights to equalized pension claims existing on 31 December 2017 will be changed. The right to equalization of pension claims that were acquired from the Fund before 1 January 2018 will also exist after the conversion.
5. The claims on partner's pension accrued on 31 December 2017 by the (Former) Participant or the acquired claim on risk partner's pension of the Participant will not be converted on 31 December 2017.
6. The claims on orphan's pension of the (Former) Participant built up on 31 December 2017 will not be converted on 31 December 2017.

Final provisions

Article 32 Legal provisions

32.1 Fiscal maxima

When pension claims and commenced pensions are determined, the maxima and limits indicated on the strength of the Wage Tax Act 1964 and the Wage Tax Implementation Decree 1965 are taken into consideration and observed.

32.2 Prohibition of commutation

Pension claims and commenced pensions cannot be commuted, alienated or relinquished or become formal or actual objects of security, except in those cases that have been indicated in or by virtue of the Pensions Act.

Article 33 Change of pension rules

33.1 Change of covers, claims and schemes

The Board is empowered to change or reduce covers, claims and schemes as described in these rules. If the Board passes a resolution to that effect, the provisions from the articles, rules and the law must be observed.

33.2 Fiscal value reappraisal clause

If on the basis of section 19c of the Wage Tax Act it is decided that parts of the pension rules as applicable from 1 January 2015 lead to an inappropriate pension scheme, the Fund will be empowered to immediately adapt the scheme with retroactive effect to the implementation of the relevant parts in such a manner that it is an appropriate pension scheme as yet.

Article 34 Disputes and complaints procedure

The Board will decide in all cases for which the pension rules do not provide or about which a disagreement arises between an interested party and the Pension Bureau about the interpretation of the articles or these rules. This is subject to a disputes and complaints

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procedure that is available for inspection at the Fund and on the website and has been published on the Fund's website.

Article 35 Hardship clause

The Board will decide in cases not provided for by these rules. In cases in which the Board believes that a provision would lead to unreasonable or unfair consequences for a (Former) Participant or Person Entitled to a Pension or other interested person, the Board is empowered, in the event of a specific request to that effect, to apply the relevant provision differently in that particular case.

Article 36 Implementation

The Pension Rules 2015 took effect on 1 January 2015 and were amended most recently with effect from 1 January 2019.