

Welcome to Stichting Pensioenfonds Thales Nederland. This Pension 1-2-3 gives you information about what you will and will not receive under our pension scheme. This is important to know, for example, if you change jobs. Pension 1-2-3 does not contain any personal data about pension. You can find these on your annual Uniform Pension Overview (UPO). At www.mijnpensioenoverzicht.nl you find more information about the pension you have already accrued, including AOW (State Pension).

What do you find in layer 1, 2 and 3?

Pension 1-2-3 consists of 3 layers. **This is layer 2.** Layer 1 briefly describes the most important information about your pension scheme. In this layer 2 you will find more information about all topics in layer 1. Finally, layer 3 contains legal and policy documents relating to the pension scheme. You can find [layer 1](#) and [layer 3](#) on our website www.thalespensioenfonds.nl or you can request them from our administrator Appel Pensioenuitvoering, telephone (+31) 085 – 210 40 90 or send an email to info@thalespensioenfonds.nl.

What is included in our pension scheme?



Old-age pension

Through your employer Thales Nederland B.V., you participate in the pension scheme of Stichting Pensioenfonds Thales Nederland and accrue an old-age pension. You will receive this old-age pension when you reach the age of 68. Your old-age pension is a supplement to the AOW. The AOW is the pension you receive from the government when you reach the retirement age.

How much pension you will receive from Stichting Pensioenfonds Thales Nederland depends mainly on the amount of salary you have earned, the details of the pension scheme you participate in and the number of years you participate. From the age of 68, the old-age pension is paid out monthly for as long as you live. The amount of the old-age pension is shown on your Uniform Pension Overview (UPO) and at www.mijnpensioenoverzicht.nl.

The pension scheme you participate in is a defined benefit agreement. Each year, you accrue pension on a part of the gross salary you earned in that year. You do not accrue pension over your entire gross salary. This is because your pension provider already takes into account the state pension you will receive from the government when you reach retirement age. The part of your salary over which you do not accrue pension is called 'deductible'. Over the gross wage less the deductible, you accrue annually 1.875% retirement pension.

Suppose you earn € 25,000 per year. The deductible is € 15,000. In that year you accrue 1.875% of your old-age pension over the pensionable earnings of € 10,000. That is € 187.50 in that year. The old-age pension you receive upon retirement is the sum of all years plus any indexation.



Partner's and orphan's pension

In addition to your old-age pension, you also accrue a partner's pension. In the event of your death, your partner is entitled to a partner's pension.

The partner's pension consists of three parts:

1. The part that you may have built up already.
2. That part that you are going to build up. This is 50% of the occupational retirement pension that you can build up at Stichting Pensioenfonds Thales Nederland from 1 January 2015 up to no later than your state pension age.
3. The risk-based part. This is 20% of the occupational retirement pension that you can build up from 1 January 2015 up to no later than your state pension age.

Your partner will receive a pension that will depend on the situation.

- a. You are building up pension and you die before your state pension age
In this situation, your partner will be entitled to the built-up part + the part still to be built up + the riskbased part.
- b. You have not yet retired, you are no longer building up pension and you die
In this situation, your partner is entitled only to the built-up partner's pension.
Remember: this applies also if you retire after reaching your state pension age.
- c. You have retired and you die
In this situation, the level of the pension that your partner will receive will depend on the choice you made when you retired. When you retire, you determine how the built-up pension will be distributed

between an occupational retirement pension and a partner's pension.

However, on your retirement date, or if you leave Thales Nederland B.V. earlier, you may have part of your old-age pension converted into a higher partner's pension. This means that your old-age pension will be reduced. Your partner will receive a higher pension from Stichting Pensioenfond Thales Nederland in the event of your death after retirement.

The pension amount for your partner and your children in the event of your death is shown on your Uniform Pension Overview (UPO) and at www.mijnpensioenoverzicht.nl.

In the event of your death, your partner may be entitled to a statutory surviving dependant's benefit from the government: the ANW scheme. Conditions are attached to this. Your partner must have been born before 1950 or have one or more minor children to care for or be partially incapacitated for work. For more information visit the website of the Social Insurance Bank (SVB) www.svb.nl.

In addition to your old-age pension, you also accrue an orphan's pension. In the event of your death your children will receive an orphan's pension.

The orphan's pension is 14% of the old-age pension that you would receive if you were to accrue pension with Stichting Pensioenfond Thales Nederland until your retirement. Each child will receive an orphan's pension until he or she reaches the age of 25. The amount of the orphan's pension is shown on your Uniform Pension Overview (UPO).



Non-contributory continuation of pension accrual in the event of incapacity for work

If you are incapacitated for work for more than 35%, you are entitled to (partial) continuation of your pension accrual without paying contributions yourself. This non-contributory pension accrual depends on the extent to which you are incapacitated for work. You can find more information about this in the regulations.



Pension regulations

Would you like to know exactly what our pension scheme offers? Please read the pension regulations at www.thalespensioenfond.nl or send us a request.

What is not included in our pension?



No partner's pension

The partner's pension is not accrued in full. Part of the partner's pension is on a risk basis, which means that it is only insured as long as you are employed.



No accrual in excess of a pensionable salary of € 114.866

The pension scheme offers no accrual above a pensionable salary of € 114.866 (as at 1 January 2022). Thales has a special arrangement for this, with the option of participating in net pension schemes.

How do you accrue your pension?



Three pillars

You accrue pension in three ways:

A. The General Old Age Pensions Act (AOW or state pension)

The AOW is the statutory pension of the government for anyone who has lived or worked in the Netherlands between the age of 15 and the age at which the AOW commences. The AOW commencement age is no longer the same for everyone. Please refer to the website of the [Social Insurance Bank \(SVB\)](http://www.svb.nl) for your AOW commencement age.

The AOW amounts are adjusted annually. For the amounts and further information regarding the AOW, please visit www.svb.nl. Please note that if you have not always lived or worked in the Netherlands, your AOW may be lower.

B. The pension you accrue through your work.

The amount of this pension is shown on your Uniform Pension Overview (UPO). You will receive the UPO once a year for as long as you accrue pension with Stichting Pensioenfonds Thales Nederland. The UPO shows the old-age pension you have accrued to date and the pension at your retirement age if you continue to accrue pension with Stichting Pensioenfonds Thales Nederland until that age. The UPO also contains details of the partner's and orphan's pensions. This is a pension for your partner and children in the event of your death. Also check www.mijnpensioenoverzicht.nl. There you will find an overview of the total pension you have accrued in the jobs you have had.

C. The pension supplement you are responsible for.

You can arrange for a supplement to your AOW and the pension you accrue through your employer. For example, by means of bank savings or by taking out an insurance policy - such as an annuity.



Average salary

Each year, you accrue pension on a part of the gross salary you earned in that year. You do not accrue pension over your entire gross salary. Stichting Pensioenfonds Thales Nederland takes into account the state pension you will receive from the government when you retire. The part of your salary over which you do not accrue pension is called 'deductible'.

Over the gross salary (twelve times the your monthly salary plus holiday allowance and any shift bonus) less the deductible, you accrue annually 1.875% retirement pension. The total pension you accrue in this way is the sum of all those years plus any indexation. As from your retirement date, you will receive this pension amount every month for as long as you live. This is called an average salary scheme.



Accrual rate

Each year, you accrue pension on a part of the gross salary you earned in that year. The part of your salary over which you do not accrue pension is called 'deductible'. Over the gross wage less the deductible, you accrue annually 1.875% retirement pension.

Suppose you earn € 25,000 per year. The deductible is € 15,000. In that year you accrue 1.875% of your old-age pension over the pensionable earnings of € 10,000. That is € 187.50 in that year. The old-age pension you receive upon retirement is the sum of all years plus any indexation.



Division of premiums where employer and employee both contribute

You pay 11,2% and your employer pays 16.8%.

In fact, the contribution is the price of your pension. In 2022, the total contribution will be 28% of the pensionable earnings. Every month, your employer pays the pension contribution to Stichting Pensioenfonds Thales Nederland. Your employer deducts your part of the pension contribution from your gross salary on a monthly basis. The exact amount will be stated on your payslip. The contribution paid by the employer is not shown on your payslip.

What choices do you have?



Value transfer

If you are changing jobs and moving to another pension scheme as a result, the level of your built-up pension per year determines what happens to your pension. Transferring your built-up pension from one pension fund to another is called pension transfer. If your built-up pension is higher than € 520,35 (amount 2022) per year, you can decide yourself whether you wish to transfer your pension. You arrange the pension transfer with your new pension administrator. Ensure that you obtain sufficient information in advance and consider carefully whether pension transfer is worthwhile for you. Whether pension transfer is a favourable option depends, for instance, on the financial situation of your current and your new pension administrator.

If your built-up pension is less than € 520,35 (amount 2022) per year and higher than € 2 per year, Stichting Pensioenfonds Thales Nederland will automatically ensure that your pension is transferred to your new pension administrator. Stichting Pensioen Thales Nederland therefore checks each year at www.mijnpensioenoverzicht.nl whether you are building up pension at a new pension administrator. If you do not have a new pension administrator, your pension will be reserved at Stichting Pensioenfonds Thales Nederland.

If your build up pension stopped after 1 January 2018 and is lower than € 2 per year, you will not receive that pension. That is legally determined.



Pension comparison tool [Pensioenvergelijker]

Would you like to compare your pension scheme? Then use the pension comparison tool [Pensioenvergelijker].



Net pension

There is a compensation scheme for everyone with a gross income above € 114.866 (as at 1 January 2022). It is a gross compensation; the employer's share of the pension contribution is paid out as gross compensation. The relevant members have the option of participating in a net pension plan and covering the mortality risk in excess of € 114.866 with Aegon. Therefore, this net pension scheme is not administered by Stichting Pensioenfonds Thales Nederland.



Exchange old-age pension for partner's pension

In addition to old-age pension, you also accrue a 50% partner's pension.

If you retire or leave Thales Nederland B.V. earlier, and there is too little partner's pension for your partner in the event of your death, you may exchange part of your old-age pension for additional partner's pension. In that case, you will receive a lower old-age pension. However, your partner will receive a higher pension from Stichting Pensioenfonds Thales Nederland in the event of your death.

Please note: this is a one-off option! Once you have chosen to exchange or not, it cannot be undone. The pension regulations contain more information about the exchange of pension. See also the pension planner for the amounts of the pension after the exchange.



Exchange partner's pension for old-age pension

In addition to old-age pension, you also accrue a 50% partner's pension. There may be reasons for you to exchange the partner's pension for a higher old-age pension. Perhaps your partner has a good pension, or you do not or no longer have a partner.

Please note: this is a one-off option! Once you have chosen to exchange, it cannot be undone. If you do have a partner, he/she must agree with this choice. The pension regulations contain more information about exchanging a partner's pension for a higher old-age pension.



Early retirement or postponing retirement

You may choose to have your pension commence earlier than at the age of 68. This does mean, however, that your old-age pension will be reduced. Retiring earlier has financial consequences, therefore. Pension accrual stops earlier and the old-age pension is reduced. You should also take into account that the state pension may start later than your early retirement. Go to www.svb.nl to check when your AOW commences.

You can also choose to postpone the commencement of your pension. If you opt for this, your pension will be higher. See the pension regulations for the conditions for postponing retirement.



Starting with a higher or lower pension

You may choose to receive a higher old-age pension first for a few years, followed by a lower old-age pension. If you choose this option, your old-age pension will no longer correspond to the old-age pension shown on your Uniform Pension Overview (UPO).

Please note: this is a one-off option! Once you have made this choice, it cannot be undone. You may also choose to receive a lower old-age pension first for a few years, followed by a higher old-age pension. If you choose this option, your old-age pension will no longer correspond to the old-age pension shown on your Uniform Pension Overview (UPO).

How secure is your pension?



What are the risks?

Pension accrual and payment take place over a long period of time. From the start of the accrual until the last pension payment may take up to 80 years. The world changes during such a period, which may lead to risks to your pension. The risks may lead to a shortfall.

Our fund aims to be prepared for the risks that may arise for your pension. This has not always been successful in the past. For example, due to the rapid increase in life expectancy. This is because the increase is greater than the one we had taken into account. As members grow older on average, their pension must be

paid out for a longer period of time. As a result, the pension fund must have more funds than previously expected.

Interest rates affect the value of pensions. Pension providers make an estimate in advance of the funds they need in order to be able to pay out the pensions. The lower the interest rate, the more money Stichting Pensioenfond Thales Nederland must have "in cash" in order to be able to pay out all pensions later on. If interest rates remain low for a prolonged period, this will make pensions more expensive.

Investment performance may also be disappointing. Because of this, Stichting Pensioenfond Thales Nederland ensures that the investments are spread over several types of investment. Profit on an investment may offset loss on another investment. A pension provider may also hedge investment risks. This involves costs, however.

Thales has a CDC scheme. This means that the amount of the pension contribution has been fixed for the period from 1 January 2016 to 31 December 2020. If the fixed contribution turns out to be insufficient for the pension accrual of 1.875% per year, the pension accrual will be reduced.

There are more risks that Stichting Pensioenfond Thales Nederland must take into account in order to protect your pension as effectively as possible. Therefore, Stichting Pensioenfond Thales Nederland must literally manage these risks. More information about the risk management of Stichting Pensioenfond Thales Nederland you can find on the website.



Index-linked pension

Normally, the value of money reduces a little each year. For example, you can buy slightly less with the same amount in 2020 than in 2019. This is called "inflation". Because of inflation, Stichting Pensioenfond Thales Nederland tries to index your accrued pension annually. This means that the accrued pension increases annually in line with the general price increase. We call this an index-linked pension. It is not always possible to increase pensions in line with the rise in prices. In times of financial difficulty, Stichting Pensioenfond Thales Nederland may not be able to index or may not be able to index fully. This means that your pension will be worth less. If this is followed by a period when things are better financially, it may be possible to index the pension extra in order to restore purchasing power.

Over the past few years, Stichting Pensioenfond Thales Nederland has indexed pensions as follows*:

Year	Indexation	CPI not derived (year)**	CPI derived (July)
2022	1,12	2,68	1,29
2021	0	1,27	1,56
2020	0	2,63	1,49

*The figures on price increases are based on figures from Statistics Netherlands (CBS).

** To calculate the price increase, the consumer price index including taxes and healthcare insurance premium over the period from 1 January to 1 January is used (=CPI not derived (year)).



In the event of a shortfall

Despite all precautions, Stichting Pensioenfond Thales Nederland may still find itself short of funds to be able to pay all pensions in the long term. This requires action. The task of the pension provider is to weigh up the best solution as carefully as possible: to increase the contribution, not to index or to reduce the pension accrual. The board may also opt for a combination of measures or make other choices. In extreme cases, Stichting Pensioenfond Thales Nederland may decide to reduce your accrued pension or pension benefit.

In 2013 Stichting Pensioenfond Thales Nederland has reduced pensions with 3,5%.

For more information about the financial position of Stichting Pensioenfond Thales Nederland go to www.thalespensioenfond.nl. In view of the fund's current situation, we do not expect having to reduce your pension in the coming years.



Costs

Stichting Pensioenfonds Thales Nederland incurs various costs in order to manage the pension scheme. Consider, for example, administration costs. This includes the costs of paying out pensions and collecting contributions. We also incur costs for communication, for example for preparing and sending the Uniform Pension Overview (UPO).

In addition, there are the costs of managing the assets. Investing the assets costs money. For example, we pay the parties we ask to invest the fund's assets. We also incur transaction costs. These include, for example, costs the stock exchange charges when buying or selling shares or bonds.

The annual report contains a breakdown of the costs we incur. This can be found at www.thalespensioenfonds.nl.

When are you required to act?



If you change jobs

If you change employer and move to another pension scheme as a result, you may choose to take your accrued pension with you. We call this value transfer. You can do this through your new pension provider. Be sure to be properly informed beforehand. Whether value transfer is a good choice depends, among other things, on the financial situation of your current pension provider and your new pension provider. If you decide not to apply for a value transfer, your pension will remain with Stichting Pensioenfonds Thales Nederland and will be paid out to you from the age of 68. You no longer pay contributions to Stichting Pensioenfonds Thales Nederland and will continue to accrue pension under your new employer's scheme.



If you become incapacitated for work

If you become incapacitated for work for more than 35%, you are entitled to (partial) continuation of your pension accrual without paying contributions yourself. You may also be entitled to an additional WIA pension if your income exceeds the maximum WIA annual salary.

This non-contributory pension accrual and the WIA supplementary pension depend on the extent to which you are incapacitated for work. It is important that you identify the consequences of your incapacity for work for your pension. You do not have to inform us about your incapacity for work. This is done automatically by the UWV.



If you are going to live together, get married or enter into a registered partnership

Getting married or entering into a registered partnership is considered the same with respect to your pension scheme. In that case, you should carefully check whether your partner is entitled to a partner's pension in the event of your death. If you think that the partner's pension is not properly arranged, make sure that you make additional arrangements.

Please note: if you cohabit unmarried, your partner is not automatically entitled to a partner's pension in the event of your death. In order for your partner to be eligible, you must meet certain conditions, such as having a notarial cohabitation contract. A copy of that contract must be sent to your pension provider. You can read more about this at www.thalespensioenfonds.nl.



If you separate

Your ex-partner is entitled to half of the old-age pension that you accrued during the marriage or the period of registered partnership. You can make different arrangements with your ex-partner. These arrangements must be laid down in the divorce agreement. To ensure that the ex-partner receives part of the old-age pension, you or your ex-partner must inform the pension provider within two years of the divorce and of any deviating arrangements.

Please note: the entitlement to part of the old-age pension does not apply to unmarried cohabitants. Unmarried cohabitants must make their own arrangements with respect to the distribution of the pension. Your ex-partner is also entitled to the partner's pension that you accrued up to the date of divorce/ termination of the registered partnership. You are not required to do anything in respect of the right to the partner's pension, unless your ex-partner waives the right, in which case you must inform the pension fund. Please note: Unmarried cohabitants may also be entitled to the partner's pension. You can read more about this at www.thalespensioenfonds.nl.



If you move abroad

Notify your pension provider and discuss the consequences for your pension. You can request information about the consequences for the AOW state pension from the Social Insurance Bank. Or visit www.svb.nl. Please note: even if you move when you are already abroad, you must inform Stichting Pensioenfond Thales Nederland accordingly.



If you wish to retire before the retirement age

If you wish to retire before the retirement age, you must apply for your pension at least three months before the preferred commencement date. You can read more about this at www.thalespensioenfond.nl.



If you become unemployed

If you become unemployed, pension accrual stops. It is important that you identify the consequences of your unemployment for your old-age pension and partner's pension. You are not required to inform us about your unemployment. This is done automatically by the UWV. However, in some cases it is possible to continue your pension (partly) on a voluntary basis; please refer to the regulations. Read more about this at www.thalespensioenfond.nl.



Mijnpensioenoverzicht.nl [Mypensionoverview]

Check every year how much pension you have accrued in total. www.mijnpensioenoverzicht.nl



Questions

For all questions about your pension scheme, please call Appel Pensioenuitvoering on (+31) 085 – 210 40 90 or visit www.thalespensioenfond.nl.