



How the changes to the TOP scheme will affect you

Read more about options and changes from 1 January 2012 in respect of your pension investments with ING IM.

Introduction

In addition to the average earnings scheme (Middeloonregeling) each person who was employed with one of the TNO Pension Fund's subscribing employers prior to 1 January 2006 will have build up a pension capital sum at own risk via an investment account with ING Investment Management (ING IM).

The pension capital can be used to buy a TOP, this being a Temporary Old-age Pension (Tijdelijk Ouderdompensioen). You can ask for the full or partial pension to commence between the ages of 59 and 65 years. The capital can also be used to purchase a lifelong old-age pension from the TNO Pension Fund or another pension institution or insurer.

If you were born prior to 1.1.1959 and are still employed then a contribution was paid into the TOP at the latest until you reached an age of 62 years. If you were born on or after 1.1.1950 then the payment of these contributions was ended on 1.1.2006.

If you were born between 1.1.1950 and 1.3.1957 then you may have received a transitional contribution up to 1 January 2006. After this date, the employer used the transitional contribution to contribute to your life-course savings scheme (levensloopregeling) at the latest until you reached the age of 62 years.

If you have now left the employment and you did not arrange for a value transfer to another pension administrator then your pension capital will still be on your investment account with ING IM.

This brochure informs you about the options and about the changes that will come into force as from 1 January 2012 in respect of your pension investments with ING IM.

Disclaimer

Great care has been taken in the preparation of this brochure. For reasons of clarity, some details of the pension scheme have not been described in detail. For a full description, please consult the pension scheme regulations (the 'pensioenreglement'), which are binding. The value of your investments may fluctuate. Past performance is no guarantee of future results. This information has been prepared for and provided to you for informative purposes only. The TNO Pension Fund is not answerable for the choices made by the participant.



What is the current position?

When investing with ING IM, you can choose from different recommended investment mixes, namely defensive, neutral and offensive.

The standard variation is the Defensive recommended mix with a 'low risk' profile. You can also opt to make the investments yourself using your own mix allocation; alternatively, you can buy and sell investment funds yourself. You can also opt to place some or all of your capital on an interest-bearing account. You can see the precise make-up of your portfolio at any time by logging into the My Pension ('Mijn Pensioen') website.

As soon as you want to utilise your TOP, ING will close the account. Then the capital is used to buy a TOP from the TNO Pension Fund. The amount of this pension will depend on the duration of the pension payment, the number of years that you have paid in contributions, the total amount of the contributions paid in, the returns achieved on the investments (if investments were made) and on the (actuarial) calculation factors at the time that the pension capital is converted into a pension payment.

If you are going to leave or have already left the employment then the value of your

TOP capital can be transferred to another pension administrator. In this case too, the ING account will then be closed.

Investing is all about your own personal risk profile i.e. about how much risk you want to take. You can calculate your risk profile using ING's My Pension website. You then use the investment profile you have calculated to decide on the type of investment strategy - namely defensive, neutral or offensive - that you wish to use (see also below).

What happens if you have not previously logged into the My Pension website and thus have never calculated your own personal risk profile? Well, in that case your pension capital will have been automatically invested in the Life-Cycle Mix Defensive. This is the investment mix with the lowest risk profile. Don't forget: even with this defensive profile, you still have an investment risk.

What changes are being made, and how will these changes affect me?

Are you investing in the ING LifeCycle Mix?

If so, you will have an account with ING IM's My Pension scheme via the TNO Pension Fund and will be investing in a mix of ING funds. During January 2012, these funds will be replaced by funds of asset manager BlackRock. These are funds with a favourable return/risk ratio and low management costs.

As stated above, there are three LifeCycle Mix variations, namely:

- LifeCycle Mix Defensive
- LifeCycle Mix Neutral, and
- LifeCycle Mix Offensive.

The conversion means that your current portfolio of ING funds will be sold. As soon as the sales proceeds have been received, they will be automatically reinvested in the new TNO LifeCycle Mix. Because the sales are made first followed by the purchases, and because all these transactions run via these investment funds' trading systems, the entire process takes a few working days to complete. During this time, you can follow the various transactions on the My Pension website, where you can also view your ultimate portfolio. In other words, you don't have to do anything yourself. You will receive a confirmation from ING IM as soon as the adjustments have been made.

Are you investing using the 'Eigen Verdeling' own allocation or 'Vrije keus' free-to-choose methods?

If so, then the investment funds you have chosen will not change. In other words, you don't need to do anything. However, you can still opt to have the new BlackRock funds if you wish.

What happens if you have placed some or all of your capital on the interest-bearing account?

The answer is that you can simply leave your capital on the interest-bearing account. The interest you receive consists of a competitive variable interest rate plus a decreasing bonus interest rate. The bonus interest rate will be scrapped as at 1 January 2012. As at 1 December 2011, the interest rate paid is 2.9%.

For detailed information on the various options, the calculation of your own personal risk profile, the investment funds and the composition of the new mixes, please see the brochure 'Opbouw Extra Pensioen via Mijn Pensioen' ('Build up an Extra Pension via My Pension'), which you can download from our website www.pensioenfondstno.nl from the 'Documenten' ('Documents') section. If you do not have access to the Internet then you can ask us to send you a copy of the brochure.

Costs

No separate transaction costs are charged for purchases and sales of investment funds and/or for adjusting the investment mixes.

However, some investment funds do charge for the cost of purchases and sales, in order to protect the interests of their other investors.

The total management expenses for the new LifeCycle Mixes average 0.70% of the capital invested. Depending on your investments, on average these costs are made up as follows: 0.30% for fund management, 0.32% for ING IM's general management expenses and 0.08% for the Pension Fund's administrative expenses. The fund management expenses have been incorporated into the fund prices quoted. The general management and administrative expenses will be deducted from your investments every quarter or half-year.

Using the My Pension website

You can use your user name and password to log into the website <https://mijnpensioen.ingim.nl>, which gives you easy access to all the information you need about your pension investments.

If you no longer have these details then you can obtain them again from the website <https://mijnpensioen.ingim.nl>. If investments are being made on your behalf then you will be able to view your portfolio online. If you are making the investments yourself then you will also be able to buy and sell funds online. In other words, you can use the My Pension website to keep up-to-date with the latest developments regarding your pension capital. Furthermore, each year you will receive by post or e-mail a statement of the value of your personal account and information on how it is developing. Each page on this website provides clear explanatory notes on the information displayed and on the action you can or must take. The explanatory notes will either be shown on the webpage itself or else can be retrieved by clicking on the question mark. Navigate around the website by using the menu on the left-hand side of the webpage.

Duty of care

According to the Pensions Act, pension providers are required to fulfill their Duty of Care in a certain way in case of a scheme whereby the participant builds up his own pension capital with the (limited) freedom to determine the investments.

The purpose of this is that you as a participant are able to make a sound investment choice, and to protect you as much as possible from making the wrong investment decisions.

Duty of Care module

One of the sections of the My Pension website is the Duty of Care module. In a number of steps this module informs you about the implications of investing for your retirement, about the risks you run and how to construct an investment portfolio that matches your risk profile.

Each step is completed with a voluntary test of your knowledge. You are not required to take this test to complete the Duty of Care module. If, after completing

the Duty of Care module, you have chosen a way of investing, the module will support you in assessing your risk profile and your way of investing regularly. If your risk profile is outdated or if your investments are inconsistent with the recommended mix that suits your risk profile and your investment horizon, you will be notified by means of an alert. You can then take action by using the Duty of Care module.

We recommend that you use the new module on the ING IM website to check your risk profile and investments and to make any adjustments necessary to achieve your desired outcome.

Using the TNO Pension Fund website

Simply go to our website www.pensioenfondstno.nl for all the pension information you need.

Current participants can also login to our Pension Planner but former participants who have left the employment will not be able to do this, although they will still be able to visit our website www.mijnpensioenoverzicht.nl to find information on their personal pension.

Since you are a participant you can already view your pension entitlements. Some time ago we sent you a login code to do this. If you no longer have it: simply e-mail the pension fund at info@sp.tno.nl and we will send you a new one.

Any questions?

If you have any (more) questions, we would be happy to answer them.

Just phone us at 070-4138618 or else send us an e-mail at pensioenloket@sp.tno.nl.

If you have any questions about ING's My Pension scheme then please visit the website at <https://mijnpensioen.ingim.nl> or else get in touch with the ING My Pension customer service desk. You can phone them at 0800-6456736 between 8.00 a.m. and 9.00 p.m. on weekdays and between 9.00 a.m. and 5.00 p.m. on Saturdays (all times CET).

If you're calling from abroad then please phone us at +31-79-3639624. Alternatively, you can send an e-mail to info@mijnpensioen.ingim.nl.

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