



Your pension options

This brochure looks at five options for a flexible pension.

Introduction

The TNO Pension Scheme already gives you a lot of freedom of choice.

New is that from 1 January 2012 onwards you will also be able to bring forward the date of your retirement.

You also have other options for adapting your pension to your personal preferences. This brochure looks at five different options that you have for making your retirement more flexible, namely:

1. Bringing forward or delaying your retirement date
2. Retiring on a part-time pension
3. Varying the amount of the pension you receive (high/low pension)
4. Converting a partner's pension into additional old-age pension
5. Shopping around for a pension

We will look at each of these alternatives in detail. Should you have any questions after reading this brochure then we would be happy to answer them. You can contact us by phone at 070-4138618 or by e-mail at pensioenloket@sp.tno.nl.

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.

1

Bringing forward or delaying your retirement date

Under the current pension scheme, the old-age pension will in principle commence when you turn 65 years of age. However, you can opt to carry on working but must retire at the latest when you reach 70 years of age. Note that a new option is available from 1 January 2012 to take early retirement. The youngest age at which you can retire on a full or partial pension is at age 55 years.

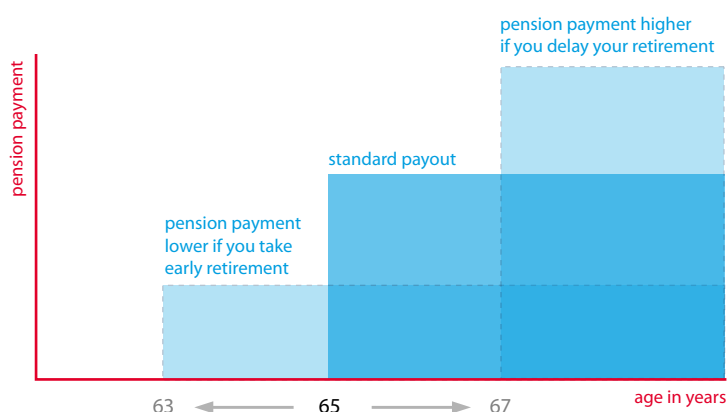
Stopping work earlier means you will get a smaller pension

Retiring early may mean that you will get a much smaller pension payment. After all, you will not be spending so long building up your pension, and it is also likely that your pension will be paid out for a longer period of time. One legally stipulation that applies when you bring forward your retirement is that if you take such a step prior to your 60th birthday then you really will have to stop working. This applies not only for TNO but elsewhere too. If you retire at age 60 or later then in principle you can carry on working. If you carry on working for a longer period of time then your pension will naturally be higher.

You can supplement your old-age pension

There are three ways you can supplement your old-age pension. These are described in more detail on the next page. You can use Methods 1 and 2 to supplement your pension either before you turn 65 years of age or afterwards. Method 3 is specifically designed to supplement your pension up to your 65th birthday. For more details, see below.

The consequences of early and delayed retirement



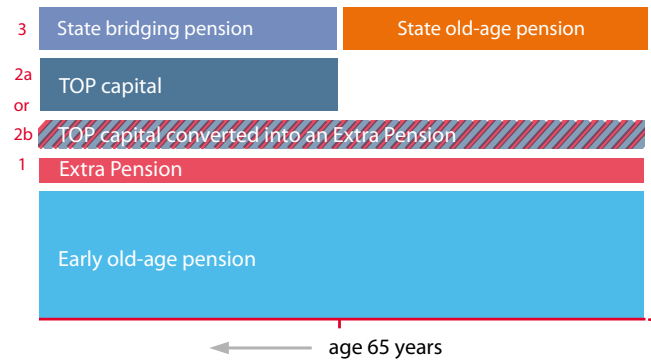
Don't forget!

Taking the old-age pension early or delaying it will not lead to any adjustments in the partner's pension or orphan's pension.

Standard pension age



Retiring early, and options for supplementing your (lower) pension payment



1. Building up Extra Pension capital

You can opt to build up an additional capital for your pension during your employment, for example because you want to increase your pension or bring forward your retirement date. In that case, you will voluntarily pay in additional contributions that will be deducted from your salary. These contributions are then placed in an individual investment account and are invested by ING Investment Management. When you want to retire, the capital accrued will be used to buy an Extra Pension.

This Extra Pension supplements the pension that you have build up under the basic pension scheme. For more information, please read the detailed brochure 'Opbouw Extra Pensioen via Mijn Pensioen' ('Build up an Extra Pension via My Pension'), which you can find on our website.

2. Deploying TOP capital

If your employment commenced prior to 1 January 2006 then you will have also build up a capital sum for a TOP pension (Tijdelijk Ouderdomspensioen/ Temporary Old-age Pension). You can use this capital to purchase a TOP before your Lifelong Old-Age Pension commences. You can also convert this capital into an Extra Pension instead.

Don't forget: contributions are no longer being paid into the TOP scheme. Nowadays, the TOP capital sum can only vary as the result of investment returns that may be favourable or unfavourable, and/or due to credited interest.

3. The state bridging pension

You will not receive a Dutch state pension (the 'AOW') until you reach 65 years of age. Up to your 65th birthday, you can supplement your pension with a state bridging pension known as the 'AOW-overbruggingspensioen'. You can use part of the old-age pension you have accrued for this. This will reduce the pension that you receive from our fund after your 65th birthday. However, from your 65th birthday onwards you will receive a state old-age pension.

The state bridging pension cannot exceed the state old-age pension that two people receive jointly, this being a sum of approx. € 18,286 (amount in 2012). However, you can opt to receive a lower bridging pension instead.

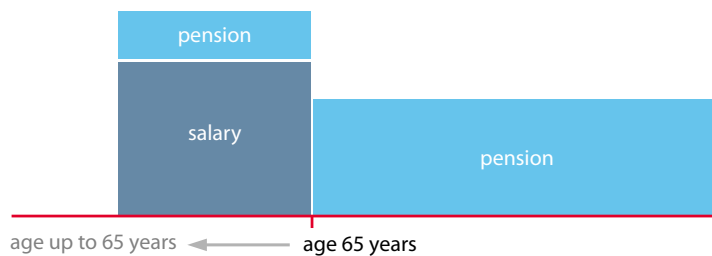
2

The part-time pension

You do not have to take full retirement immediately, as you can opt to receive a part-time pension instead.

In that case you will receive a pension proportionate to the degree (%) to which you are retiring. Your pension will continue to accrue in the normal way for that proportion that you remain working, until your 65th birthday at the latest.

Part-time pension



3

A high/low or low/high pension

You can vary the amount of your pension payments.

Normally, once you have retired you receive a fixed amount of pension each month. However, you can instead opt to receive a higher pension for the first five or ten years and a reduced pension thereafter, or vice versa. The low payment amount must not be less than 75% of the high payment amount. A 'high/low' pension will not affect the amount of the partner's pension or orphan's pension.

4

Swapping a partner's pension for additional old-age pension

You can opt to convert some or all of the partner's pension that you have accrued from 2002 onwards into an additional old-age pension.

Your partner must agree in writing to the exchanging of the partner's pension for old-age pension. If you do not have a partner then the partner's pension will be automatically converted into additional old-age pension for yourself.

5

Shopping around for a pension

You can also decide to transfer the TOP capital and/or the Extra Pension to another pension institution or insurer shortly before your pension commences, in order to purchase a pension there.

Sample calculations

Do you want to know the potential outcomes of the options you have? In that case, just consult our Pension Planner, which allows you to calculate the outcomes of your various options.

The models for calculating Extra Pension and the outcome for early retirement will be added to our Pension Planner in late March 2012. Note that a simplified forecasting model will be available from 1 December 2011 for contributions paid in for the Extra Pension that will show you the potential outcomes.

You can log into the Pension Planner at our website at www.pensioenfondstno.nl. We did send you a login code for this some time ago, but if you no longer have it, don't worry - just send us an e-mail at info@sp.tno.nl and we will be happy to send you a new login code.

Don't forget!

- If you would like to utilise one or more of the options available to make your pension more flexible then you should tell the fund which option you have chosen at least three months before your desired retirement date.
- You cannot cancel the decision(s) you have taken once you have taken it/them.
- You can download the brochure on the Extra Pension and on the Temporary Old-age Pension (TOP) plus the new pension scheme regulations from our website www.pensioenfondstno.nl - just go to the 'Documenten' ('Documents') section. If you do not have access to the Internet then you can ask the pension fund to send you copies of these brochures.



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