

The pension scheme (defined benefit scheme) as of 1 January 2023

This pension scheme governs all employees of the employer(s) affiliated to the Pension Fund. The characteristics of the scheme are as follows:

Type of scheme	Average earnings scheme with conditional increase. A defined benefit scheme.
Participation	<p>From the date of commencement of employment with the employer.</p> <p>Participation ends:</p> <ol style="list-style-type: none"> on reaching retirement date on which pension payments start; the start of the temporary or early old-age pension as referred to in the extra pension, net pension, and temporary old-age pension regulations; at the end of the employee's employment; at the end of the administration agreement between the Fund and the employer; the death of the participant. <p>As an exception to point c, above, the participation is continued if and for as long as:</p> <ol style="list-style-type: none"> there is a right to work disability pension and/or premium-exempt continuation in the event of incapacity for work or; there is a right to a periodic payment under the employer's general or special terms of employment.
Partner	<ul style="list-style-type: none"> spouse; registered partner; cohabiting partner running a joint household according to a notarial deed, provided there is no lineal consanguinity or in-law affinity between the partners.
Pensionable salary (also known as pensionable income)	The fixed annual salary including any pensionable structural increases, holiday pay, and 13 th month bonus in the calendar year concerned, up to a maximum of €128,810 (indexed maximum sum for tax purposes as of 1 January 2023). In the case of part-time work, this amount will be reduced in line with the part-time factor.
Deductible	The part of the pensionable salary over which no pension is awarded. The deductible as of 1 January 2023 is €16,878 (for full-time). This amount will be adjusted in accordance with TNO's general system for determining salaries (average earnings). The Board is entitled to deviate from this provision on the basis of the actuary's opinion.

Pension basis	<p>The pensionable salary less the deductible for the relevant calendar year</p> <p>(maximum of €128,810 - €16,878 = €111,932). In the case of part-time work, this amount will be reduced in line with the part-time factor.</p>								
Retirement date	<p>If continuing to work to the state retirement age, the state retirement age is regarded in principle as the retirement date.</p> <p>Since all entitlements to old-age pension that have accrued and continue to accrue have a start date (calculation date) of 68 years of age, the entitlements must be paid earlier if pension starts at state pension age. As a result of this, the old-age pension payments will be lower than entitlements that start at the age of 68.</p> <p>In principle, if an employee works beyond the state pension (AOW) age, they will be offered a new employment contract by the employer. Based on this employment contract the employee is deemed to be a participant in the TNO pension scheme. Pension is thus accrued and a pension premium is payable.</p> <p>Based on the pension agreement ('Pensioenakkoord') reached in 2019, the state pension age will rise in steps to 67 in 2025. As of 2026, the state pension age will be linked to life expectancy. An overview of the increase in the state pension age over the coming years is provided below.</p> <table> <tr> <th>Year</th><th>State pension age after pension agreement</th></tr> <tr> <td>2023</td><td>66 years and 10 months</td></tr> <tr> <td>2024 - 2027</td><td>67 years</td></tr> <tr> <td>2028</td><td>67 years and 3 months</td></tr> </table> <p>As of 2017, the payment of pension may be deferred subject to the sole condition that the pension payments must start on the day on which the employee reaches an age that is five years older than the state pension age.</p>	Year	State pension age after pension agreement	2023	66 years and 10 months	2024 - 2027	67 years	2028	67 years and 3 months
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The length of participation	<p>The period during which the employee is or was a participant under the pension scheme rules. The length of participation is measured in years, months, and days.</p> <p>In the case of part-time employment, a proportionate length of participation will be taken into account.</p>								

	<p>During the period in which a temporary old-age pension can be paid out (in accordance with the TOP scheme), participants can opt to purchase length of participation for the lifelong old-age pension related to the payment percentage. If this option is exercised, the relevant party is liable to pay a single premium that will be deducted from the available capital under the TOP scheme.</p>
Old-age pension	<p>As from 2021, the percentage of the old-age pension that is accrued is variable. TNO's social partners determine annually what financial resources are available for pension accrual. The annual accrual for 2023 is 1.50% (2022: 1.50%) of the pension basis in the relevant calendar year.</p> <p>These accrued pension entitlements are subject to the conditional increase policy.</p>
Lifelong partner's pension	<p>The partner's pension to be accrued in 2023 amounts to 70% of the annual pension accrual of 1.50%. In the event of the participant's death, the partner pension for the remaining working life (i.e. by counting the length of participation up to the date on which state pension would have been paid if the participant had remained alive) is based on 70% of a fictitious accrual percentage of 1.75% old-age pension per year.</p> <p>These entitlements are subject to the conditional increase policy.</p>
Temporary partner's pension	<p>As of 1 January 2002, on a risk basis, 10% of the attainable old-age pension (i.e. by counting the length of participation up to the date on which state pension would have been paid if the participant had remained alive) based on an accrual percentage of 1.75% if the partner has not yet reached state pension age. Payment is not made beyond the date on which the partner reaches state pension age.</p> <p>Any temporary partner's pension entitlements accrued prior to 1 January 2002 remain unchanged.</p> <p>These entitlements are subject to the conditional increase policy.</p>
Death benefit to partner	<p>Applies in respect of the death of a person in receipt of pension, or a participant entitled to a work disability pension and/or a TOP payment.</p> <p>The benefit is equal to twice the monthly old-age pension or work disability pension last received. The death payment is tax-free.</p>
Exchange of partner's pension	<p>The lifelong partner's pension accrued since 1 April 2010 and the partner's pension resulting from the collective value transfer of extra old-age pension accrued between 1 January 2002 and 1</p>

	<p>April 2010 may be exchanged on the retirement date for an extra lifelong old-age pension, subject to providing a written statement confirming the agreement of any partner to this exchange. Any partner's pension accrued prior to 1 January 2002 may not be exchanged for an extra lifelong old-age pension.</p>
Orphan's pension	<p>The orphan's pension is 16% of the attainable old-age pension (i.e. counting the length of participation up to the date on which state pension would have been paid if the participant had remained alive) based on an accrual percentage of 1.75% and is paid up to the end of the month in which the orphan reaches the age of 21. The percentage is doubled in respect of a full orphan.</p> <p>These entitlements are subject to the conditional increase policy.</p>
Work disability pension	<p>70% of current pensionable salary above the maximum daily wage. As 1 January 2013, it commences at the moment that a right to a state benefit under the WIA (Work and Income [Capacity for Work] Act)/WAO (General Disability Insurance Act) arises. Before 1 January 2013, this is conditional upon the employment with the employer having been terminated or adjusted and at such moment, or immediately following such moment, a WIA/WAO benefit applies.</p> <p>In the case of partial work disability, the payment is calculated pro rata;</p> <p>The work disability pension is paid out up to no later than the start date of the state pension age.</p>
Continuation of pension accrual in the event of incapacity for work	<p>The premium-exempt continuation of pension accrual during the period in which the work disability pension is paid out, proportionate to the degree of work disability;</p> <p>There is also a premium-exempt continuation of pension accrual if and for as long as a participant on a WIA/WAO state benefit receives no work disability pension from the Fund, due to the wage for social insurance purposes being less than the maximum daily wage.</p> <p>The premium-exempt continuation of pension accrual does not extend beyond the state pension age.</p> <p>The maximum for tax purposes of €128,810 (indexed to the maximum amount as of 1 January 2023) also applies here. In the case of part-time work, this amount will be reduced in line with the part-time factor.</p>
Conditional increase	<p>The accrued pension entitlements of active participants, as well as pension payments due and premium-exempt pension</p>

	<p>entitlements of deferred participants, are conditionally – and in part – adjusted if the policy coverage ratio is 110% or more based on the CPI, if and insofar as there is financial scope according to the statutory liability adequacy test and to the degree that this is balanced.</p> <p>The adjustment of entitlements by awarding indexation is only possible provided that this does not result in a policy coverage ratio of less than 110%.</p> <p>Following a decree by the Dutch government, pension funds were granted more scope for indexation in 2022 and 2023 in the run-up to the adoption of the new pension system.</p> <p>The board of the pension fund has decided to use this option, i.e. supplementing the aforementioned scope for indexation with additional indexation under the conditions mentioned in Article 15c of the Pension Funds (Financial Assessment Framework) Decree (Besluit FTK).</p> <p>Under this option, the lower limit of the policy funding ratio of 110% is reduced to 105% and the futureproof indexation test does not apply. The government extended the governmental decree on indexation of 9 June 2022 until the effective date of the Wet toekomst pensioenen (Future Pensions Act), being 1 July 2023.</p>
Conditionality statement for increase policy	<p>Your pension fund aims to increase your pension in line with the CPI each year.</p> <p>On 1 January 2023, your pension for 2023 was increased by 16.93% to include indexation for 2022 (9.93% and 7.00%)</p> <p>Your pension fund has increased your pension over the last five years as follows:</p> <ul style="list-style-type: none"> in 2022 compared with 2021, by 3.28% in 2021 compared with 2020, by 0.0% in 2020 compared with 2019, by 0.0% in 2019 compared with 2018, by 0.55% in 2018 compared with 2017, by 0.42% in 2017 compared with 2016, by 0.0% in 2016 compared with 2015, by 0.05% in 2015 compared with 2014, by 0.17%

	<p>in 2014 compared with 2013, by 0%</p> <p>In those years, inflation was 2.5% (2013), 1.0% (2014), 0.4% (2015), 0.40% (2016), 1.34% (2017), 1,68% (2018), 1.73% (2019), 1.12% (2020) and 16.93% (2022).</p> <p>Your pension fund will pay future increases in your pension from the investment return. Increases in the past and expectations of increases in the future do not automatically entitle you to future increases.</p>
Total pension premium	<p>As at 1 January 2023, the total pension premium is 20.34% of the pensionable salary. The maximum pensionable salary is fixed at €128,810 (indexed maximum sum for tax purposes as of 1 January 2023). In the case of part-time work, this amount will be reduced in line with the part-time factor. The employer will recover part of the total premium from the participants (see employee's contribution to the total pension premium). The premium is payable if and for as long as the participation continues, but not beyond the state pension age.</p>
Employees' share of the total pension premium	<p>The employer also pays a premium of 20.34% of the pensionable salary to the pension fund. The employee in turn repays some of this premium to the employer in the form of a deduction from the salary. The size of the employees' share was agreed by the employer with the Works Council or the employee representative body.</p> <p>According to the standard division, the employee's share as of 1 January 2023 is 10.73% of the pensionable salary above a premium-exempt amount of €28,572, up to a maximum amount of €128,810.</p>
Options	<p>Please refer to exchange of partner's pension. The other available options are:</p> <ul style="list-style-type: none"> • voluntary additional continuation in the event of leave, demotion, and temporary old-age pension; • part-time pension; • graduated pension payments from high to low and low to high, within a fiscally permitted range; • deferred payment of pension up to a maximum of five years after the state pension age; • advanced payment of pension up to a maximum of ten years before the state pension age; • Exchange of exchangeable partner's pension for old-age pension;

	<ul style="list-style-type: none"> • The exchange of old-age pension for partner's pension in order to restore the ratio of old-age pension to partner's pension to 100:70. • AOW (state old-age pension) bridging pension; • extra pension and net pension via the extra pension and temporary old-age pension schemes. <p>The pension scheme rules contain special conditions and limitations in this regard.</p>
Entitlements in the event of termination of employment	Rights accrued in proportion to time
Transitional provisions	See pension scheme rules.
Value transfer	<p>An individual value transfer is possible in line with statutory provisions and provided that the coverage ratio of both the transferor and transferee pension fund at the end of the relevant calendar month is at least 100% at the time the request is made (the calculation date). On receipt of the offer relating to the value transfer, the amount of the coverage ratio has no further influence and the value transfer will be carried out (after the agreement of the entitled party and any partner).</p> <p>A collective value transfer is subject to specific additional conditions.</p>
Automatic value transfer	If the accrued old-age pension does not exceed €594.89 (the limit for the commutation of small pensions as of 1 January 2023) after leaving employment, then the accrued pension will automatically be transferred to the pension administrator with which you will continue to accrue pension. Commutation is no longer permitted unless the fund cannot succeed in transferring the accrued pension for five subsequent years. Pensions of €2 or lower will lapse.



Extra pension, net pension and temporary old-age pension schemes (Defined contribution schemes)

These are defined contribution schemes aimed at accruing pension capital.

As of 1 January 2012, it is only possible to pay from gross salary into the extra pension scheme; it is no longer possible to pay into the temporary gross old-age pension (TOP) scheme. Payment from net salary into the net pension scheme is possible as from 1 January 2015 in respect of pensionable income over the maximum for tax purposes that is indexed annually. As of 1 January 2023, this indexed maximum for tax purposes is €128,810. Capital accrued in the TOP scheme as at 31 December 2011 will remain available for a gross, temporary old-age pension. Any capital remaining on the retirement date must be used towards a lifelong pension, possibly in combination with a lifelong partner's pension.

Type of scheme	Defined Contribution scheme
Start date	As at 1 January 1996 for the TOP scheme; as at 1 January 2012 for the extra pension scheme; and as at 1 January 2015 for the net pension scheme.
Participants and start date of participation	Employees may be participants. The start date of their participation is the start of the premium payments. (No new participants are allowed to join the TOP scheme).
The length of participation	From the start date of participation.
Purpose	This is a scheme for the accrual of capital to provide an extra gross old-age pension, early payment of gross old-age pension, a temporary gross old-age pension, or a gross AOW (state old-age pension) bridging pension. As of 1 January 2015, over the pensionable income up to the maximum for tax purposes. This maximum for tax purposes is indexed annually and as of 1 January 2023 amounts to €128,810. In the case of part-time work, this amount will be reduced in line with the part-time factor. As of 1 January 2015, there is also the option to accrue capital for a net pension for pensionable income above the maximum for tax purposes.
Target retirement age	For the extra pension and net pension schemes, the target retirement age for tax purposes is 68 (as of 2018); For the TOP scheme, the target retirement age is the state pension date by default, and the participant can choose a start date within the limits set by the scheme. See below alongside 'deferred and advanced start date'.

Ambition level	This is dependent on the premium contribution (see below), the yield achieved and/or the interest received thereon, and salary increases.
Contribution of premium	<p>The extra pension and net pension schemes are voluntary, and the participant may pay in a premium – at his or her own expense and risk – up to the maximum as specified in the table accompanying the relevant scheme.</p> <p>The participant can stop payment of this monthly sum or change the amount. A single payment per calendar year is possible provided that this does not exceed the maximum specified in the premium table.</p> <p>No further premium payment is possible into the TOP scheme, which ran up to 1 January 2012.</p>
Costs	<p><i>TNO Pension Fund administration costs</i></p> <p>The costs for administering the extra pension, net pension, and TOP schemes are fixed by the TNO Pension Fund at 0.08% per year of the invested assets including funds in any savings account under this scheme. At the request of the TNO Pension Fund, NN IP will deduct 0.02% from the investment account and any savings account quarterly in arrears for this purpose.</p> <p><i>NN IP general administration costs</i></p> <p>As of 2018, NN IP charges general administration costs of 0.32% per year, charged quarterly in arrears (0.08% per quarter).</p> <p>For some investment funds, the fund provider stipulates a standard discount. This discount will be set off per quarter against the general administration costs of 0.08% to be collected.</p> <p>NN IP will deduct the payment for administration costs, on behalf of the Pension Fund, firstly from the cash position in the Investors Giro Accounts (Beleggersgirorekeningen) or the Savings Account administration (Spaarrekening-administratie). If there is an insufficient cash balance, the payment will be deducted from the value of the portfolio(s) of the participant in the Investors Giro Accounts.</p> <p>The calculation is based on the average of the assets in the Investors Giro Account of the relevant participant invested in that quarter and on any relevant average capital invested in the relevant quarter in the Savings Account Administration. NN IP calculates the average invested assets or capital on a daily basis.</p>



Deferred and advanced start date	<p>The choice of a pension start date between the ages of 59 and state pension age for the TOP scheme; and</p> <p>The choice of start date from ten years before the start date of the state pension age to no later than the start date of the old-age pension under the average salary scheme for the extra pension and net pension.</p>
Part time	<p>The choice – subject to the consent of the employer – to take the extra gross pension and/or net pension in the case of an early start date of the pension under the average salary scheme and/or the temporary old-age pension in combination with continued work on a part-time basis (part-time pension).</p>
Available funds for investment	<p>The available premium is paid into investment funds and/or an interest-bearing account as designated by the Pension Fund. The investment funds and the interest-bearing account are separated from the Pension Fund's investments. At the moment that the pension becomes payable, the required capital is transferred to the Pension Fund.</p>
Entitlements in the event of termination of employment	<p>The available capital from the available premium and the yield and/or interest earned thereon as at the date of termination of employment. The capital from the extra pension and net pension schemes must be converted into a pension entitlement within six months of the employee leaving employment, except in the case of a value transfer.</p> <p>Rights under the TOP scheme in the event of termination of employment: the capital from the TOP scheme which, depending on the investment results and interest, may go up as well as down.</p>
Use of capital in the event of work disability	<p>The participant may convert the available capital into a pension to supplement the work disability pension under the basic scheme. The exemption from payment of premiums in the event of work disability is not insured.</p>
Use of capital in the event of death	<p>The available capital is converted to an immediately payable supplemental lifelong partner's pension to benefit surviving dependants; this surviving dependants' pension is paid gross from the extra pension scheme (and net from the net pension scheme).</p> <p>There is also the possibility to select a different administrator for the use of the capital ('shop-around' option).</p> <p>If there are no surviving dependants, the capital reverts to the Pension Fund.</p>

Use of capital at the start date	<p>The available capital from the extra pension and net pension schemes is used to coincide with the start date of the pension under the average salary scheme.</p> <p>The available capital from the TOP scheme is used at the start date to provide a temporary old-age pension, provided that the start date for this is before the state pension age.</p> <p>If there is capital remaining at state pension age or the start date for the lifelong retirement pension (whichever occurs first), this remaining capital will be used to purchase a lifelong retirement and partner's pension.</p> <p>On the basis of the <i>Wet verbeterde premieregeling</i> (Defined Contribution Scheme Improvement Act), it has been legally possible since 1 September 2016 to purchase a variable pension benefit in addition to a fixed (stable) benefit.</p> <p>It is not possible to purchase a variable pension benefit from the TNO Pension Fund. If participants wish to make use of this facility, at the moment of making a definite choice for a variable benefit they must choose a pension insurer that does offer it.</p> <p>Around fifteen years before the retirement date, the participant will be informed of his or her options regarding the provisional choice for a variable pension.</p>
Increase	The temporary old-age pension obtained from capital will also be subject to the indexation from 1 January 2022.
Duty of care tool	The participant uses the available premium and the capital to invest at his or her own expense and risk in the investment funds and/or the interest-bearing account. The participant must supply a self-assessed risk profile via an online duty of care tool. The investments are tested half-yearly against this self-selected risk profile.
Value transfer	<p>Individual value transfer is possible in line with statutory provisions and provided that the coverage ratio of both the transferor and transferee pension fund is at least 100% at the end of the relevant calendar month. A collective value transfer is subject to specific conditions.</p> <p>If the value of the entitlements under the average salary scheme is transferred, any capital under the extra pension, net pension, and TOP schemes will also be transferred. These sums of capital cannot be kept with the TNO Pension Fund.</p> <p>There is one exception to this. If the new employer's pension scheme does not offer a net pension scheme, the available</p>



	capital in the net pension scheme is not transferred, but remains in the TNO Pension Fund.
Automatic value transfer	If the accrued old-age pension does not exceed €594.89 (the limit for the commutation of small pensions as of 1 January 2023) after leaving employment, then the accrued pension will automatically be transferred to the pension administrator with which you will continue to accrue pension. Commutation is no longer permitted unless the fund cannot succeed in transferring the accrued pension for five subsequent years.