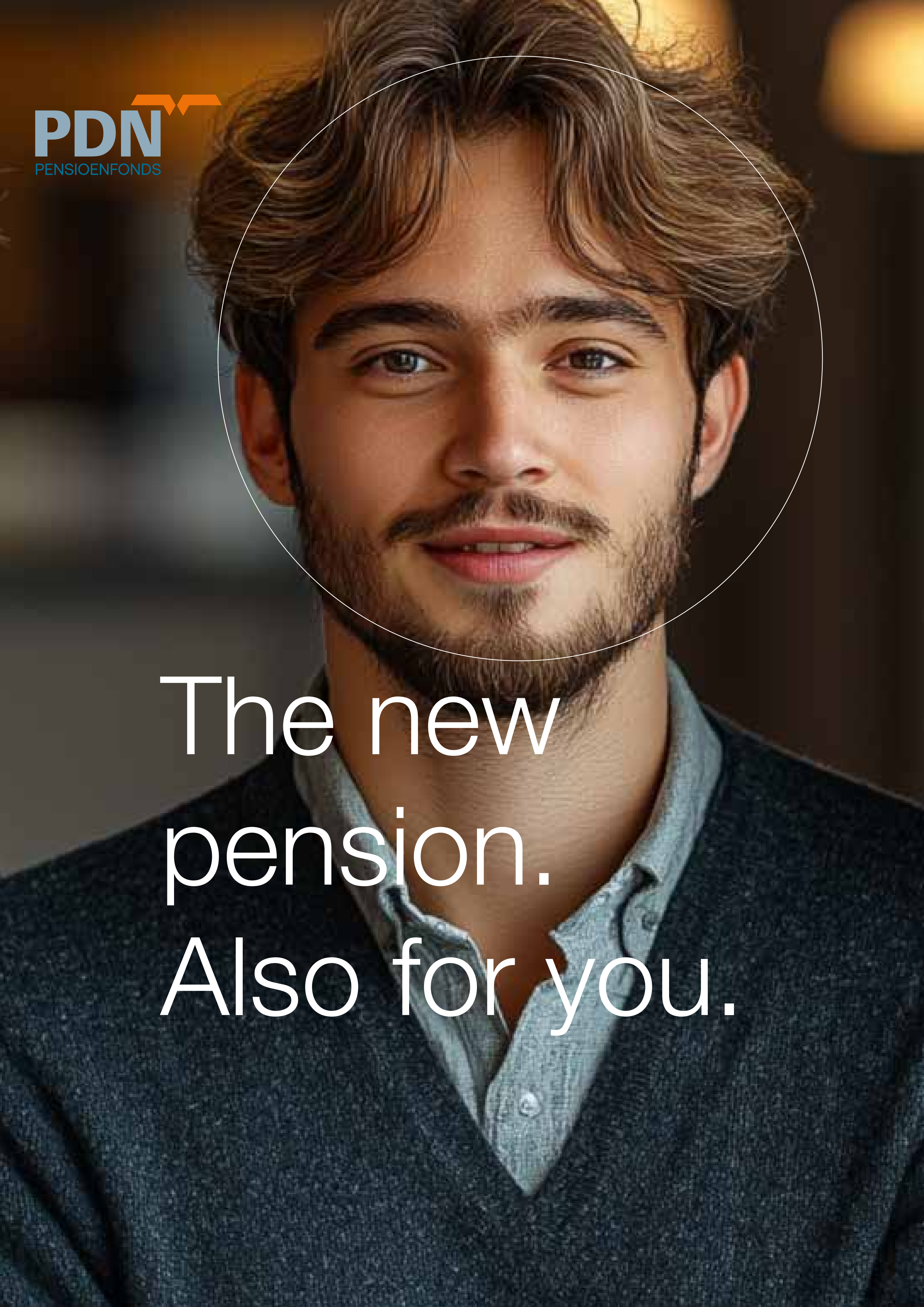


PDN PENSIOENFONDS

The new pension. Also for you.

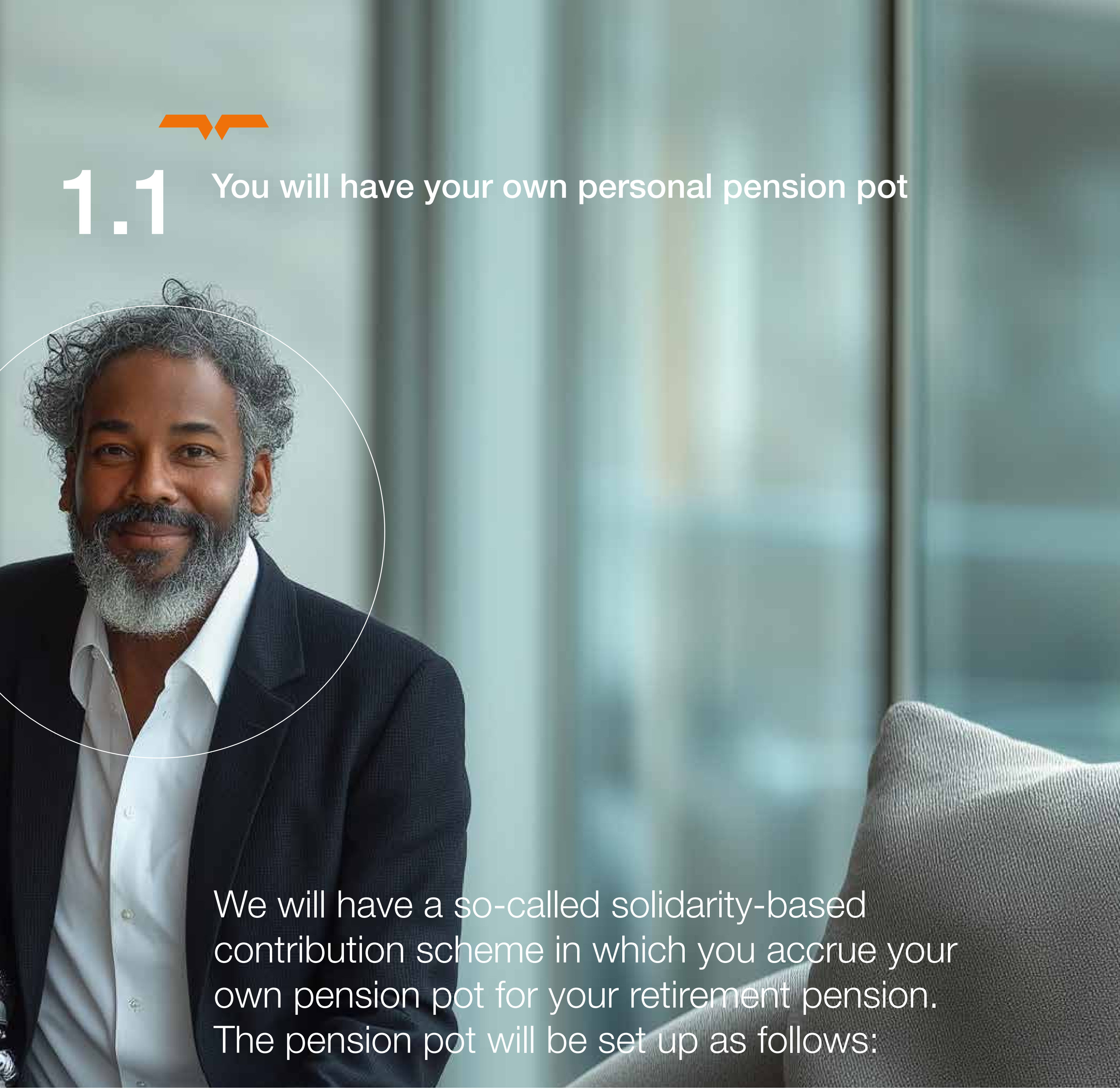
Our employers have made agreements with the unions or works councils regarding the new pension. They aim to ensure that this new pension starts on 1 January 2026.

It’s now Pensioenfonds PDN’s turn get to work on this. PDN must assess whether the social partners’ agreements are balanced and are as fair as possible for everyone. PDN will also assess whether and how it can implement these agreements. The fund will need to continue working on this in the coming months and nothing will be finalised until this work is complete.

You can read here which agreements the employers and unions or works councils have made and what these agreements mean for:

- all employees currently accruing pension at Pensioenfonds PDN,
- and all those receiving a disability pension.

1 Our new retirement pension will be different than we are used to



1.1 You will have your own personal pension pot

We will have a so-called solidarity-based contribution scheme in which you accrue your own pension pot for your retirement pension. The pension pot will be set up as follows:

1. In a solidarity-based pension scheme, you are entitled to a contribution to your pension (your pension contribution). At PDN the contribution is 30% of your pensionable salary, minus €17,545 (see also section 2.2 ‘The level of the pension contribution will remain similar to what we have now’).
2 We will use part of the contributions to insure the risk of death and disability. We refer to this insurance as risk coverage premiums. We will use another part of the contributions to pay the costs of the pension.
3. The rest of the contributions will be transferred to your own pension pot. If the risk coverage premiums or costs change, the part of the contributions that are transferred to your own pension pot will also change.
4. Pensioenfonds PDN will invest your pension pot together with the pension pots of all other members.

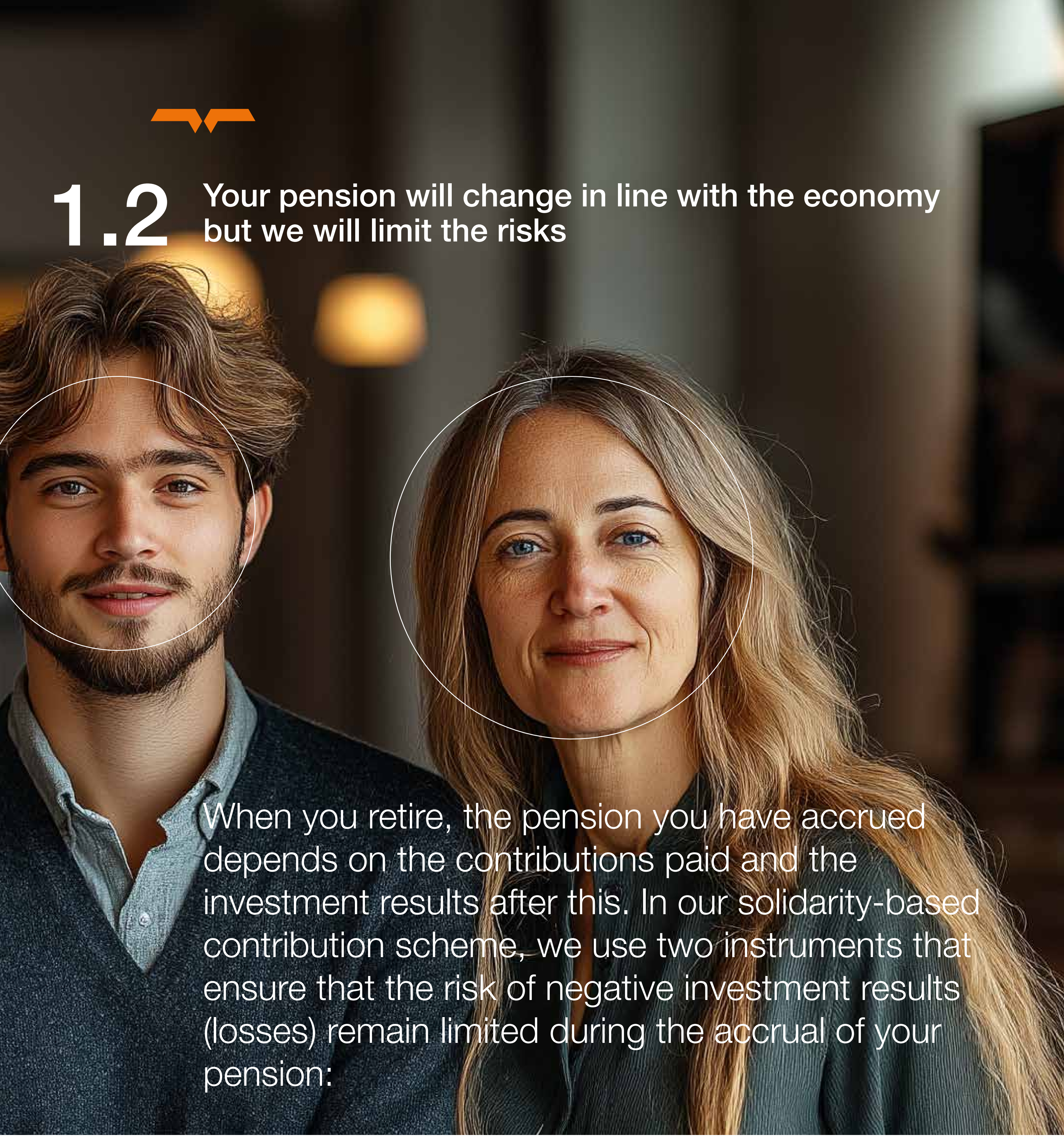
Total pension assets that Pensioenfonds PDN invests

5. Your pension pot does not only include your pension contributions (after deducting the risk coverage premiums and costs), as the investment results achieved by Pensioenfonds PDN are also paid into your pension pot. The results can be positive or negative:

6. When you retire, Pensioenfonds PDN converts your pension pot into pension payments. PDN is unable to predict the exact level of your pension as this will change in line with the economy. The fund can, however, state how much pension you can expect to receive (expected scenario).

   PDN will also explain what your pension will look like in the event of prolonged poor economic conditions (bad weather scenario) and in the event of prolonged good economic conditions (good weather scenario).

7. Your pension pot can never run out, as we all share the 'risk' that you will live for a long time and will therefore need more pension payments than average.



1.2 Your pension will change in line with the economy but we will limit the risks

When you retire, the pension you have accrued depends on the contributions paid and the investment results after this. In our solidarity-based contribution scheme, we use two instruments that ensure that the risk of negative investment results (losses) remain limited during the accrual of your pension:

The first instrument is the investment policy itself. Pensioenfonds PDN invests all of the pension pots together. PDN ensures that the investment policy is aligned with the average risk appetite of everyone who has a pension with PDN. The risk appetite shows how much risk everyone who has a pension with PDN wants to and can accept. PDN requests this via a risk preference survey, which PDN repeats periodically.

Pensioenfonds PDN will seek an optimal balance between achieving the best possible return and an acceptable risk, in line with this risk appetite. This balance differs per age category.

A 25-year-old member can take more risks to achieve a higher return than a 55-year-old member. The 25-year-old member still has some considerable time to redress any disappointing investment results (long-term investment horizon). For the 55-year-old, who is somewhat closer to retirement, there needs to be a good balance of investments with less risk, but also with lower returns (shorter investment horizon). That is why a 25-year-old shares in the returns of riskier investments for a larger portion of their pension pot than the 55-year-old. This means that Pensioenfonds PDN determines per age category what is a good ratio between returns and risk and translates this into allocation rules.

In practice, this will work in the following way: Pensioenfonds PDN will divide the achieved investment returns into protection returns and excess returns.

The protection returns protect the level of your future pension benefits from falling interest rates. The closer you get to your retirement, the more important the protection returns.

The excess returns are the total investment result minus the protection returns. If the excess returns are positive (the investment makes a profit), everyone will receive a share of this based on their own optimal balance between return and risk. A higher percentage applies to a younger person (more risk/higher returns) than to an older person, who receives more protection returns (less risk, lower returns).

The downside is that, in event of negative excess returns (an investment loss), a younger person also shares in that loss more than an older person and thus sees the value of their pension pot fall more because of the investment loss.

The second instrument is the solidarity reserve. This is a buffer. If economic conditions are disappointing, the employers and unions want to ensure that a potential loss on excess returns cannot exceed 15% in a year. If that does actually happen, they want Pensioenfonds PDN to use the solidarity reserve to limit the investment losses on the excess returns to 15%.

1.3 The solidarity reserve

The employers and unions have made proposals regarding how Pensioenfonds PDN can use the solidarity reserve in our new pension. We can summarise this as follows:

The solidarity reserve is a reserve of 5% of the total pension assets (all pension pots added together). We will use this reserve to:

- Prevent cuts to pensions that are currently being paid.
- Prevent that the investment losses on the excess returns in a year are higher than 15%.

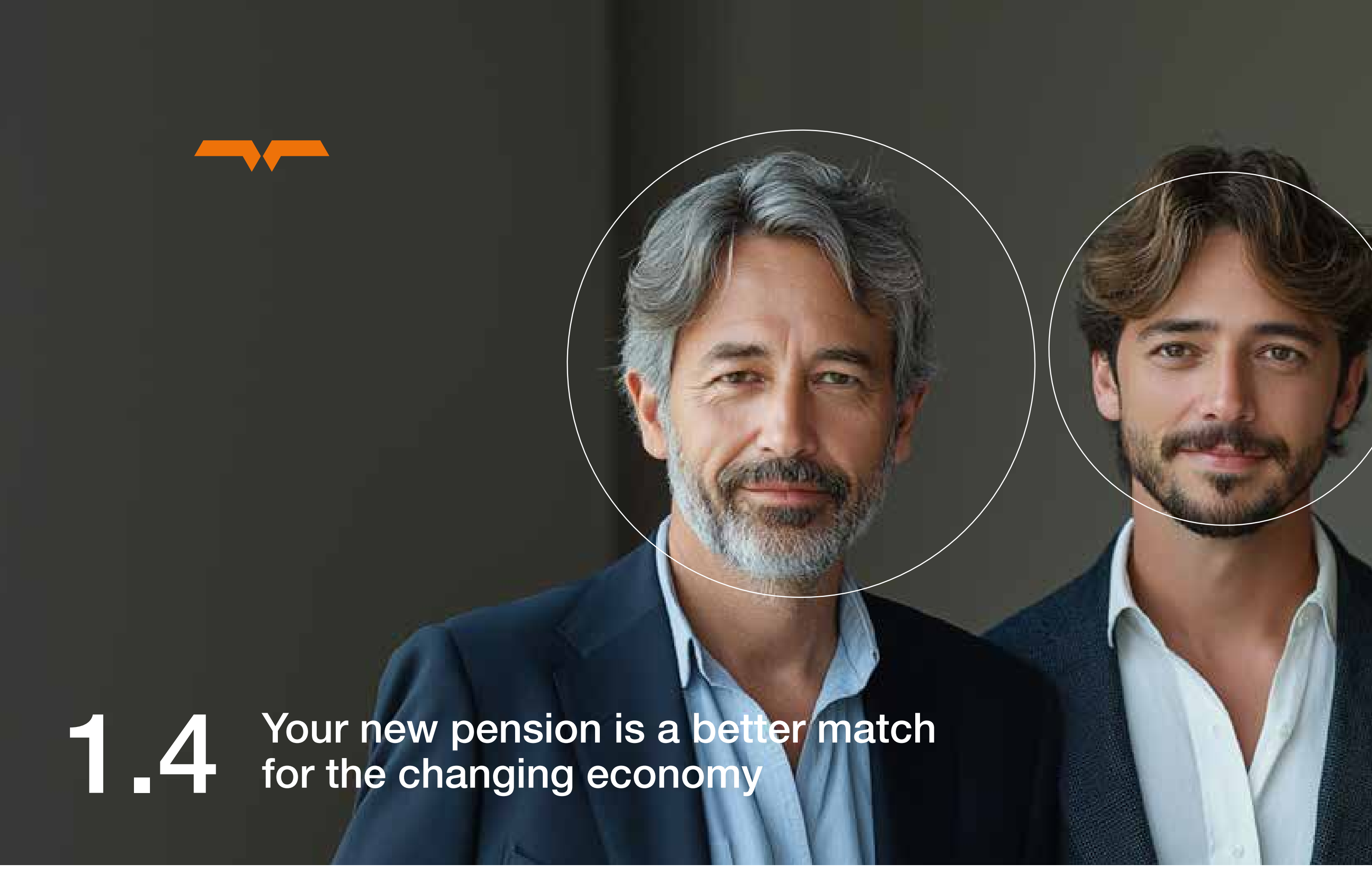
If we do need to use the solidarity reserve, no more than 40% at the same time can be used in a year: up to 20% may be used to prevent cuts in current pension payments to pensioners. Up to 20% can also be used to prevent investment losses on the excess returns being higher than 15%. This means that the solidarity reserve cannot be used up in one go.

We will supplement the solidarity reserve with up to 10% of the positive investment returns in times of economic prosperity. This means that, before Pensioenfonds PDN allocates investment returns to the individual pension pots, up to 10% of the investment profits will first be transferred to the solidarity reserve, if the reserve is not completely filled.

If the value of the solidarity reserve exceeds 5%, everyone will receive a prorated amount of the excess in their own pension pot.

This ensures that everyone benefits from the solidarity reserve and everyone also contributes to it.

Pensioenfonds PDN will ultimately determine how the solidarity reserve is set up. In doing so, PDN will, of course, take the wishes of the employers and unions into account.



1.4 Your new pension is a better match for the changing economy

It has become clear in recent years that pensions are less certain than we always anticipated. Between 2009 and 2021, Pensioenfonds PDN was unable to ensure that pensions increased with inflation (retention of purchasing power), even though we did have enough money in the coffers.

This was partly because of the strict statutory requirements. They prescribe that Pensioenfonds PDN needs to retain high buffers. The goal of this was to guarantee as far as possible that everyone could receive at least the same pension in times of economic hardship. But not all pension funds managed this in recent years. They had to cut pension payments to pensioners anyway. Fortunately, Pensioenfonds PDN did not have to do this. We were actually able to increase pensions in 2022 and 2023.

The strict requirements with respect to the buffers are being abolished in the new pension. This means that Pensioenfonds PDN will be able to increase pensions earlier when the economy is doing well. If there's a downturn in the economy, pensions can also be lowered earlier. This is why the new pension provides tools (the investment policy and the solidarity reserve) to minimise the risk of decreases (See section 1.2 'Your pension will change in line with the economy but we will limit the risks').

1.5 The new pension is clearer

Pensioenfonds PDN currently has one pension assets pot from which everyone receives a pension. A disadvantage of this is that you cannot see which part of those assets are reserved for you.

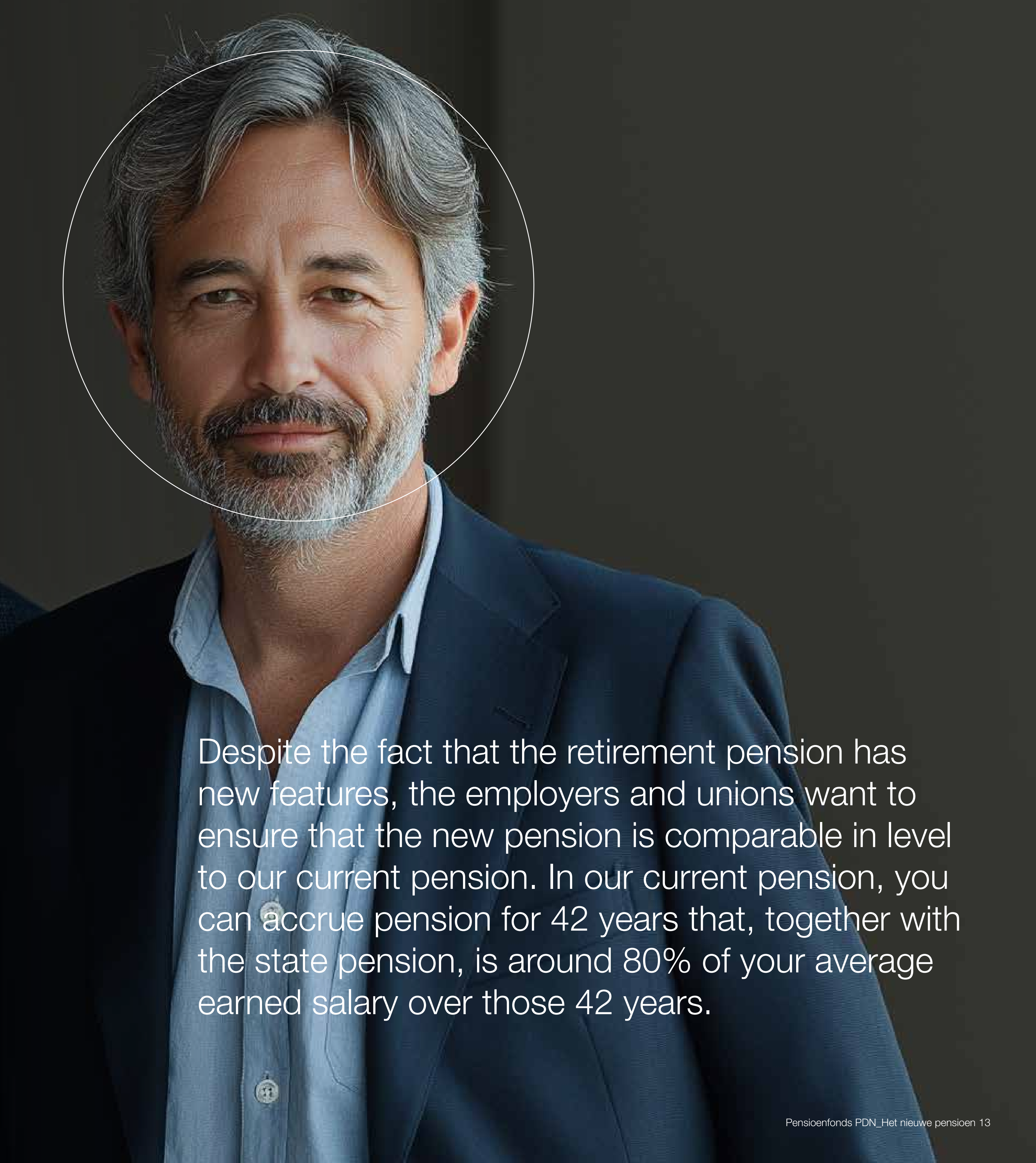
As you have your own pension pot in the new pension, how much money has been set aside for your pension will, however, be much clearer.

In the new system, you will also be able to see what is added to your pension pot as a result of the contributions being paid and following profits on investments or a contribution from the solidarity reserve. And you can see what is deducted in the event of a loss on the investments.

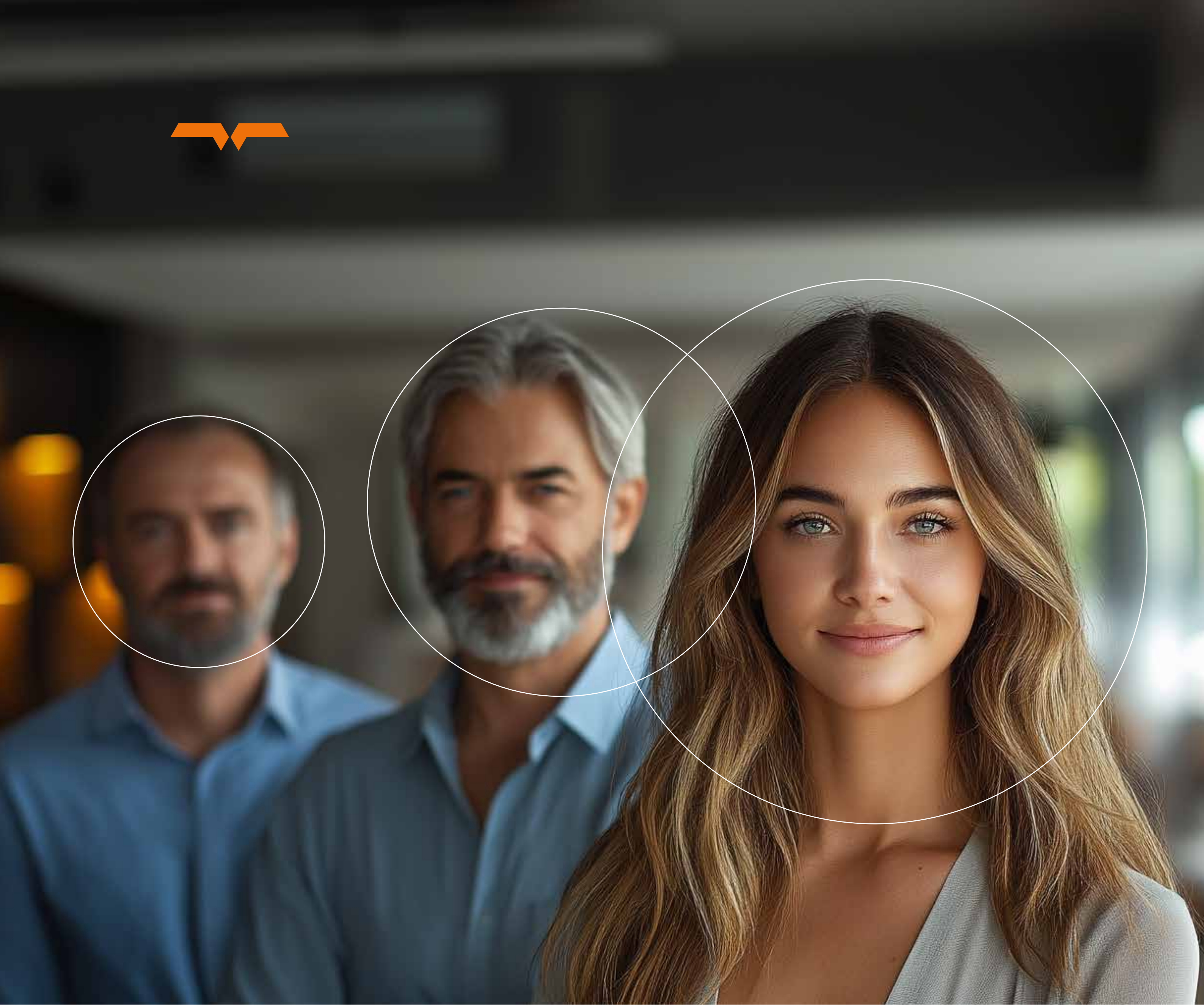
As is currently the case, Pensioenfonds PDN can only use your pension pot for your pension. And like now, Pensioenfonds PDN will pay the pension for as long as you live.

2 Most of the retirement pensions will stay the same as now

2.1 The level of pensions will be similar to what we have now



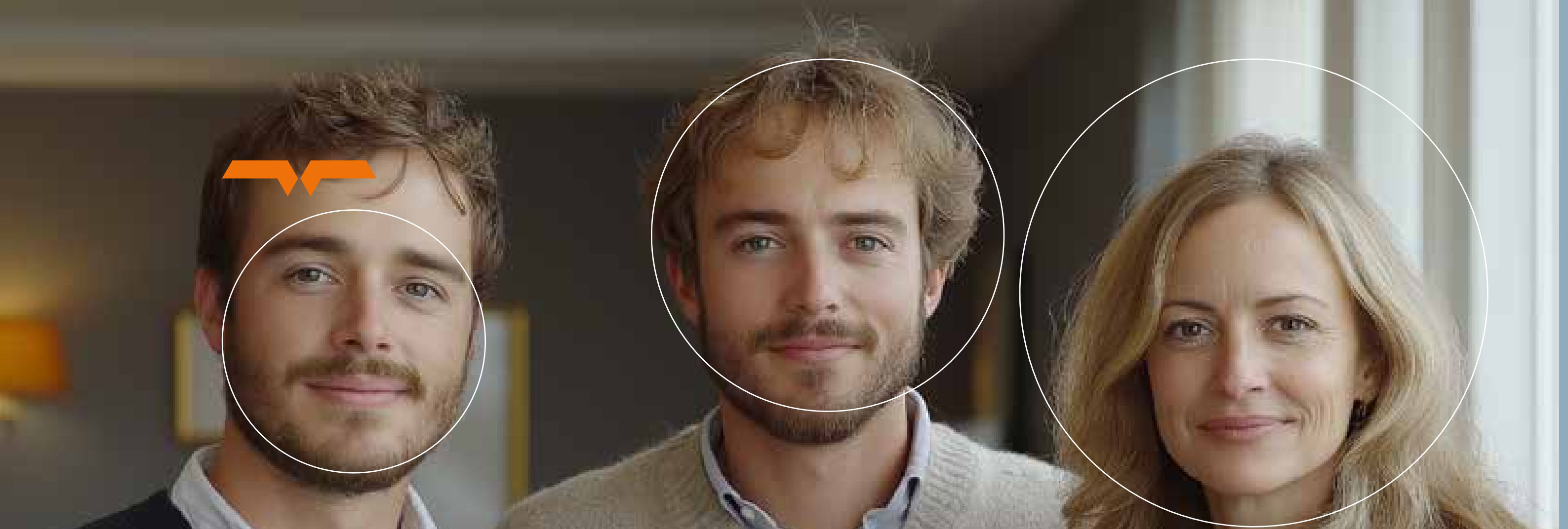
Despite the fact that the retirement pension has new features, the employers and unions want to ensure that the new pension is comparable in level to our current pension. In our current pension, you can accrue pension for 42 years that, together with the state pension, is around 80% of your average earned salary over those 42 years.



When making the agreements, many calculations were made to check whether this would be the case. The social partners can generally say that the new pension you can expect to receive will at least be equal to the former pension and may even be somewhat higher. However:

- In the event of a prolonged economic downturn (the bad weather scenario), the pension will end up being lower than the current pension.
- In the event of prolonged economic prosperity, the pension will end up being higher than the current pension.

At the time of making the agreements, the social partners could not check whether these principles would always apply in individual cases. They must therefore add the caveat that they cannot provide certainty that this applies to everyone.



2.2 The level of the pension contributions remains similar to what we have now

Your current pension contributions are equivalent to 24.17% of your gross annual salary. Whether more is added to this, such as your holiday pay and 14th month, depends on your own employment contract. The salary on which your level of contribution depends is known as the pensionable salary.

The employers and unions want the level of the contributions in the new pension to be similar to the current contributions. However, we will calculate the level of your pension contributions differently. In the new pension this is equal to your pensionable salary, minus the so-called State Pension (AOW) Deductible, which amounted to €17,545 in 2024. And then 30% of the result.

The background to this is as follows: Because you receive state pension as a pensioner, you do not need to accrue pension on that part of your salary. The State Pension (AOW) Deductible provides for this.

Here is an example of the current contribution level and what this will be in the new pension:

Pensionable salary €61,000
Former contribution: 24.17% x €61,000 = €14,743
New contribution: 30% x (€61,000 - €17,545) = €13,036

Pensionable salary € 90,000
Former contribution: 24.17% x €90,000 = €21,753
New contribution: 30% x (€90,000 - €17,545) = €21,737

You will also pay towards the contribution yourself in the new pension.
You can see your contribution on your pay slip.

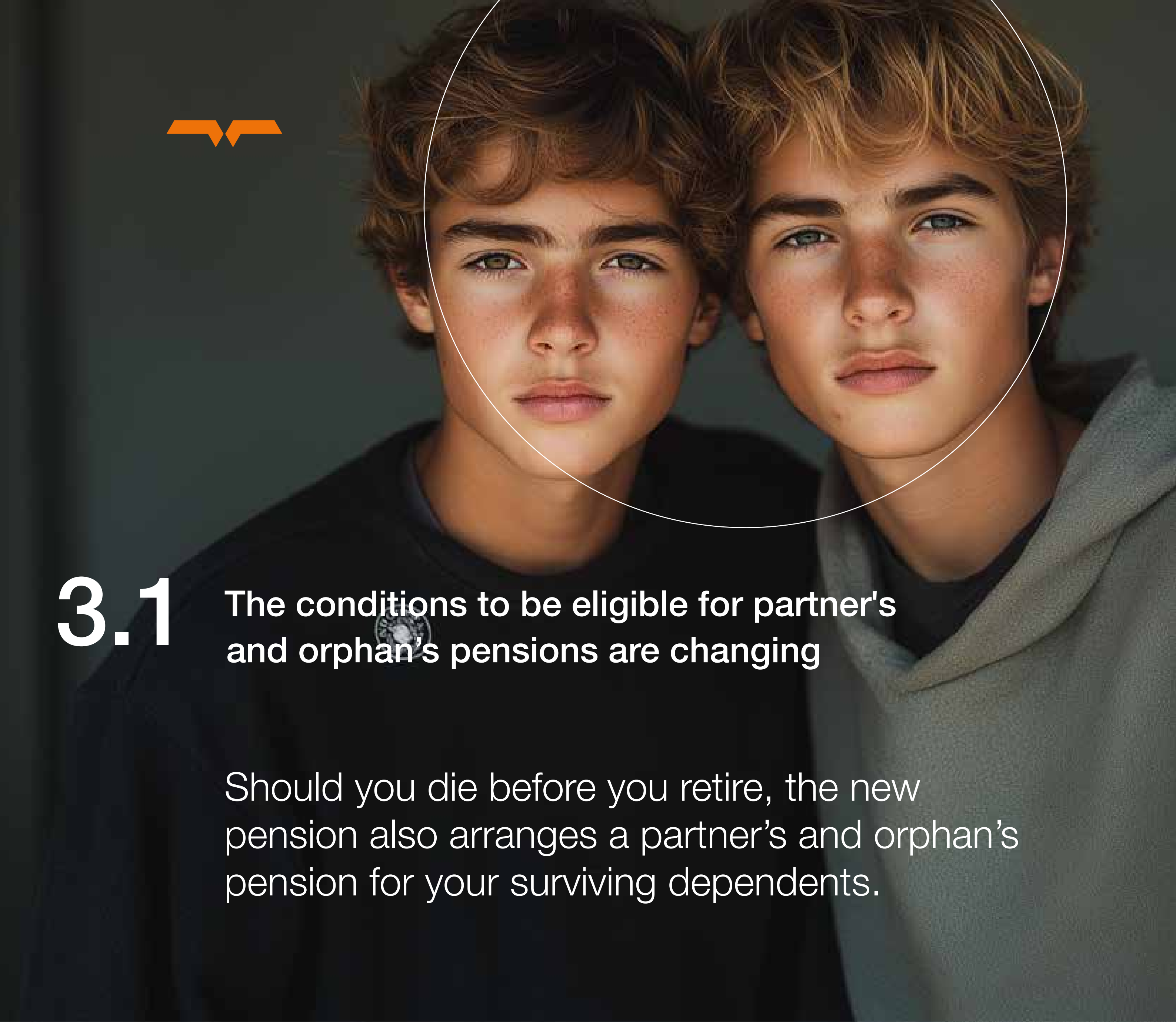
Please note: in some individual cases the contribution amount will change, but that does not mean that your expected pension will also change. In the last quarter of 2025 we will be able to provide more clarity on how the changes will work out in individual cases.

2.3 The pension age remains unchanged at 67 and you retain the same pension choices

Like now, the pension age will still be 67 and you will still be able to choose whether to retire earlier or later. At Pensioenfonds PDN you can start your pension from age 55.
The choice to opt for a part-time pension will also remain the same, as will the possibility to choose to vary the amount of your pension (e.g. higher payments first for a number of years followed by lower payments, or vice versa).

As soon as this is permitted by legislation, you can also opt for a lump-sum payment.

3 The partner's and orphan's pensions are changing

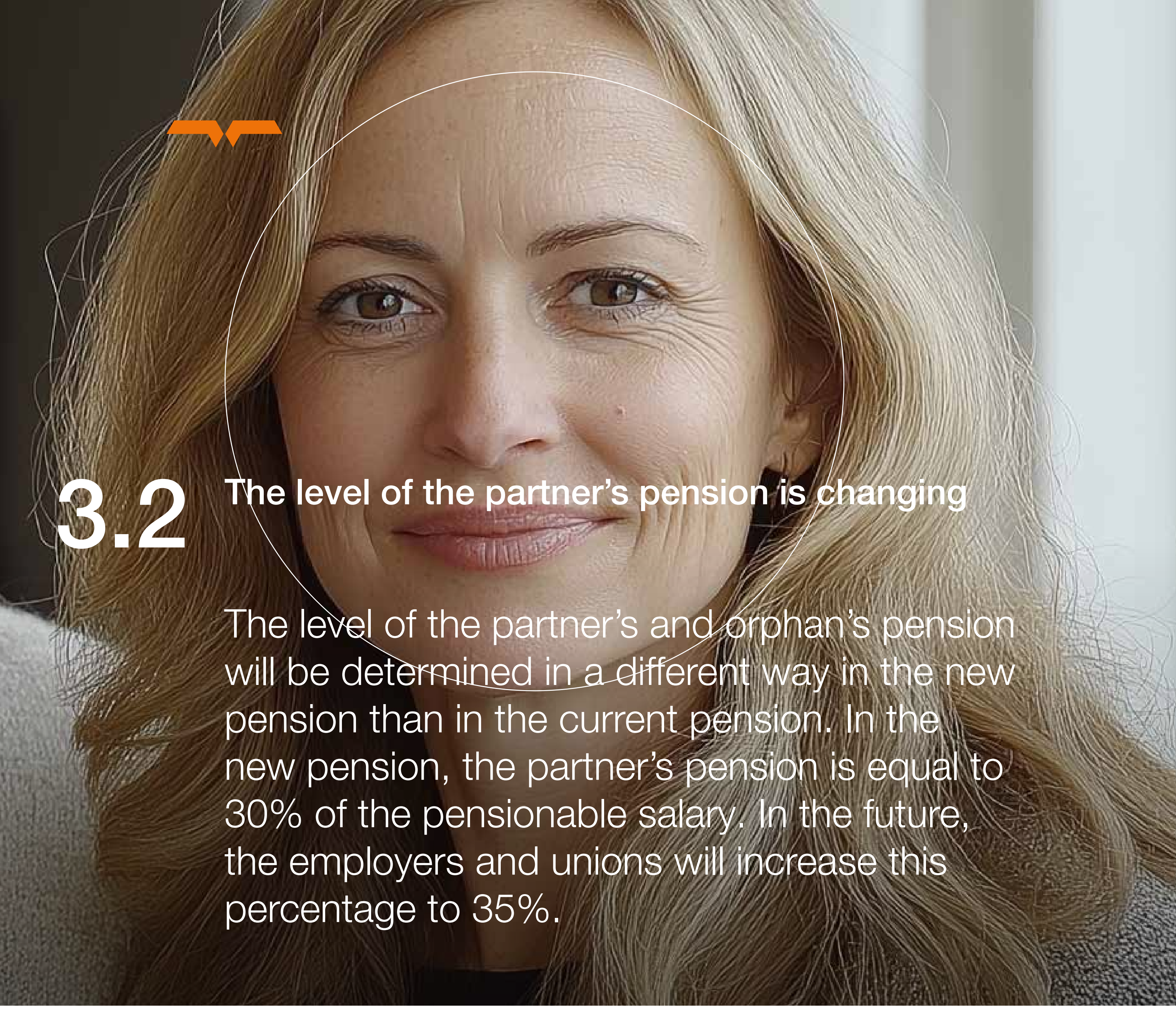


3.1 The conditions to be eligible for partner's and orphan’s pensions are changing

Should you die before you retire, the new pension also arranges a partner’s and orphan’s pension for your surviving dependents.

Partner’s pension conditions:
The conditions will not change for married persons and registered partners. For cohabitees, it will be easier to be eligible for the partner’s pension. This is because you will no longer need to submit a notarised cohabitation contract to prove that you are partners. It will be enough to demonstrate that you have a joint household together. You can do this by declaring together with your partner that you are registered at the same address in the municipality’s personal records database and that you take care of each other. If you have not submitted such a declaration, your partner can, in the event of your death, also use a declaration to demonstrate that this was the case.

Orphan’s pension conditions:
Orphans currently receive an orphan’s pension until age 18. After this age, this period is extended up to age 27 if they can demonstrate that they are following a study programme. In the new pension, each orphan will always receive a benefit until age 25. This means that it no longer matters whether the orphan is following a study programme or not.



3.2 The level of the partner's pension is changing

The level of the partner's and orphan's pension will be determined in a different way in the new pension than in the current pension. In the new pension, the partner's pension is equal to 30% of the pensionable salary. In the future, the employers and unions will increase this percentage to 35%.

If you have already accrued partner's and orphan's pension up to the transition to the new pension, those pensions will be added to this. There is an easy way to see whether this is the case. Log in on PDN's pension portal and enter in the pension planner that you will be leaving the company as of 1 January 2026.

At the bottom of your pension statement, you will then see how much partner's pension your partner will receive from PDN. You will see this under the heading 'Partner's pension from your partner's State Pension Age (AOW age)'. This is the partner's pension that your partner will receive for as long as they live, on top of the 30% of your pensionable salary.

Your partner will receive this new partner's pension for life.

3.3 The level of the orphan's pension is changing

In the new pension, the orphan's pension is 20% of your pensionable salary. An orphan who has lost both parents will receive an orphan's pension of 40% of the pensionable salary.

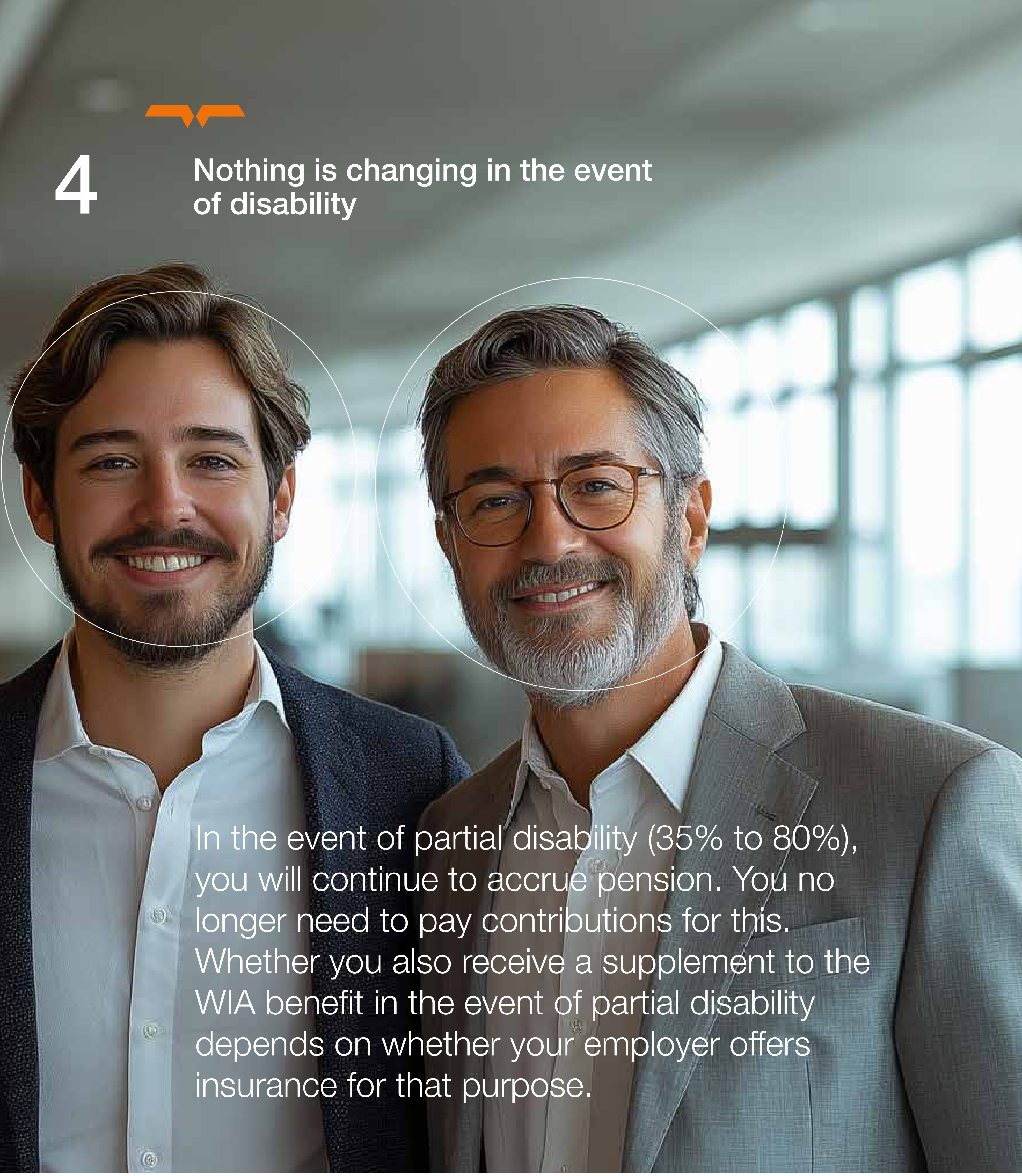
There can be up to three orphans in a family that receive the full orphan's pension. If there are more than three orphans in the family, an orphan's pension of 60% of your pensionable salary will be available, with each orphan receiving an equal share of it.

3.4 What happens to the partner's and orphan's pension if you leave the company?

In the new pension, your partner and children will still be entitled to the PDN partner's and orphan's pension for six months after you have left the company. You do not need to pay any contributions for this. However, if you are employed elsewhere in those six months, or you retire, the entire PDN partner's and orphan's pension will lapse.

If you are entitled to a WW or WIA benefit immediately after leaving the company, your partner and children will still be entitled to the PDN partner's and orphan's pension for up to two years. You also do not need to pay any contributions for this. If your entitlement to WW or WIA benefit ends before that time, the entitlement to a partner's and orphan's pension at PDN will also end.

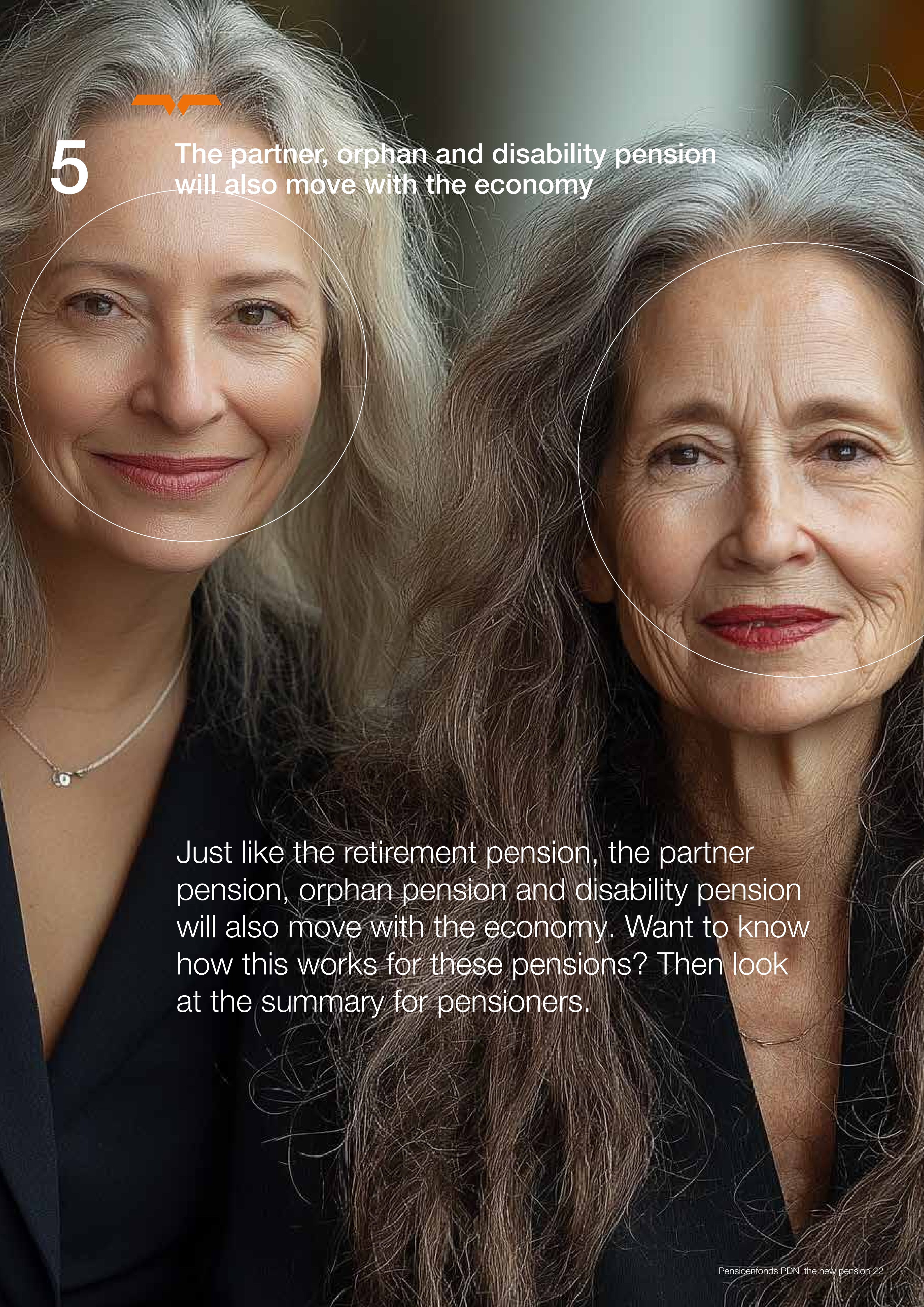
You can opt to continue the partner's and orphan's pension voluntarily after the period of six months or two years. We will pay the contributions for this from your pension pot.



4 Nothing is changing in the event of disability

In the event of partial disability (35% to 80%), you will continue to accrue pension. You no longer need to pay contributions for this. Whether you also receive a supplement to the WIA benefit in the event of partial disability depends on whether your employer offers insurance for that purpose.

If you are fully disabled (80 to 100%), in addition to accruing your pension in full, you will receive a disability pension that supplements the WIA benefit to up to 70% of your pensionable salary.



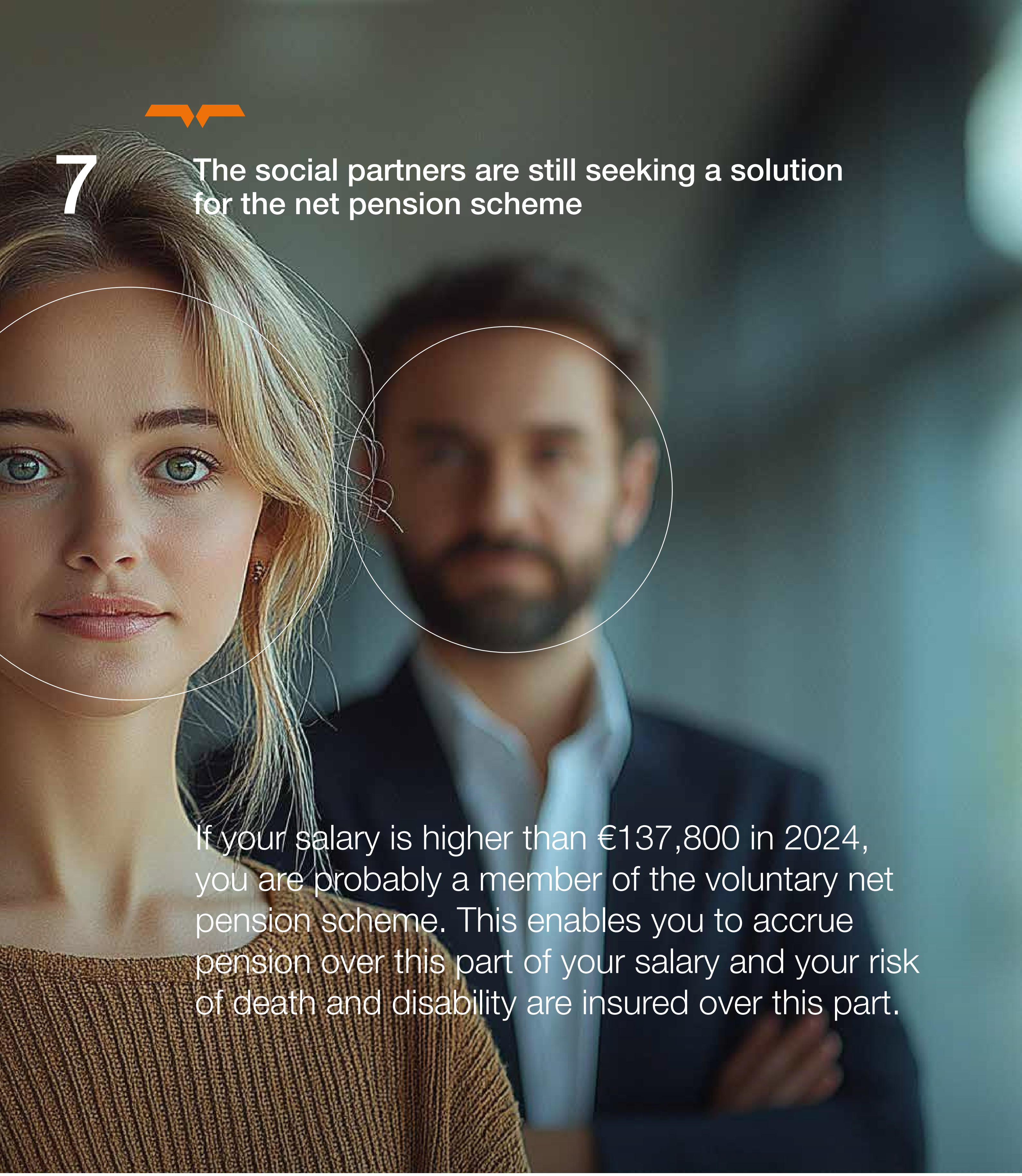
5 The partner, orphan and disability pension will also move with the economy

Just like the retirement pension, the partner pension, orphan pension and disability pension will also move with the economy. Want to know how this works for these pensions? Then look at the summary for pensioners.

6 The PPS scheme cannot be maintained

The pre-pension cannot be maintained. Your PPS balance will therefore be transferred to your pension pot. You can then, however, use your pension pot to retire earlier. You can also opt for higher pension payments during the first years followed by lower payments. This means that you can still stop working earlier in a way that is comparable to the PPS.

We will continue to pay pre-pension that started prior to 1 January 2026 as agreed when the pre-pension started, unless in the coming period it becomes apparent that legislation and regulations do not permit this. We will then seek a different solution.



7 The social partners are still seeking a solution for the net pension scheme

If your salary is higher than €137,800 in 2024, you are probably a member of the voluntary net pension scheme. This enables you to accrue pension over this part of your salary and your risk of death and disability are insured over this part.

The employers and unions want this scheme to remain, especially because of the insurance in the event of death and disability. How this scheme will look is not yet known.

8 Contribution compensation for members who are disadvantaged

8.1 What is the flat-rate contribution system?

In the former and new pension, your employer and you both pay pension contributions that are determined in the same way for everyone.
However, in the former pension, this contribution for young people is actually too high for the pension they will receive. This is because we can invest a younger person's contribution for a long time, which means that the contributions will yield more returns than an older person's contributions.

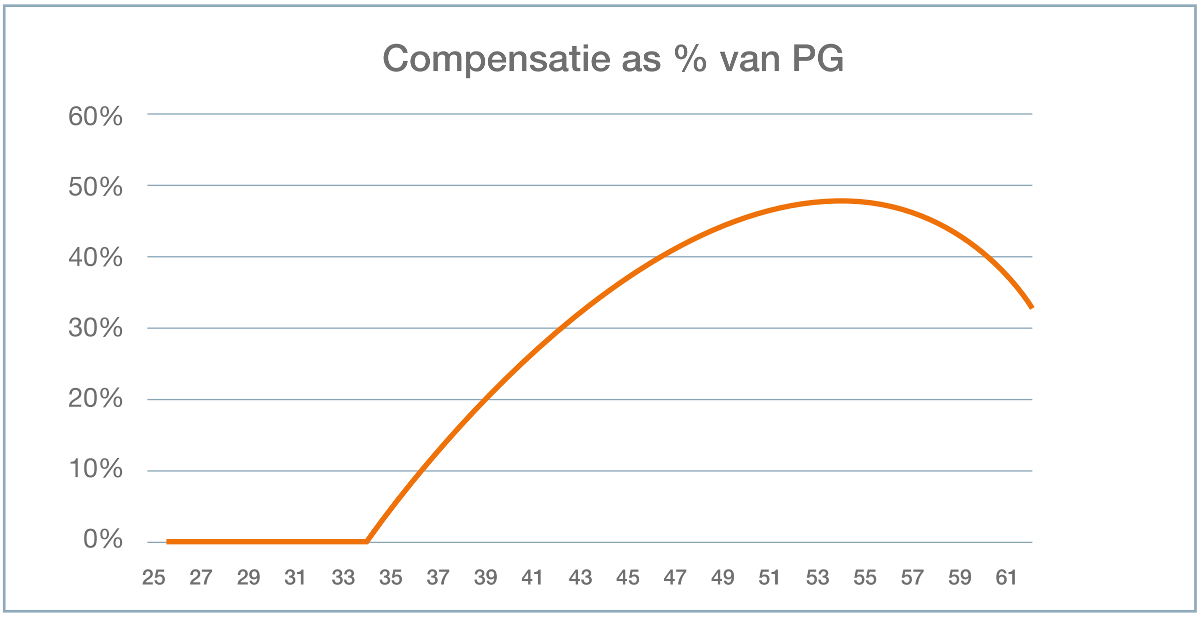
For this same reason, the contributions that an older person pays for their pension are actually too low. We can only invest these contributions for a short period of time and this, therefore, yields low returns.
That is why we use part of young people's contributions in the current pension to finance the pensions of older people. This is known as the 'flat-rate contribution system'.

This works well as long as the young people themselves can also benefit from this system later on.

8.2 Abolition of the flat-rate contribution system and contribution compensation

This system will end in the new pension. Young people will benefit immediately from this as they will immediately receive more pension for the same contributions. However, older people who are still accruing pension are at a disadvantage. In the past, they will have transferred part of their contribution to older people, but the young people of today will not be doing that for them. This disadvantage is age dependent. It starts with members from 34 years, although their disadvantage is limited. The biggest disadvantage is experienced by 45 to 60-year-olds who are still accruing pension.

For this reason, everyone who is disadvantaged by the abolition of the flat-rate contribution system will receive compensation, depending on their age: the contribution compensation.



This diagram shows which supplement to the personal pension pot is needed per age category to compensate the disadvantage as a consequence of the abolition of the flat-rate contribution system. The level of this supplement is expressed as a percentage of your own pension base.

The contribution compensation will be paid as soon as we switch to the new pension (see chapter 8 'The transfer from the old to the new pension: the transition'). On the transition to the new pension, everyone who is eligible will receive an additional amount added to their personal pension pot.

8.3 Abolition of the flat-rate contribution system is a better match for the labour market

The flat-rate contribution system works well if everyone remains in the same pension scheme during their working life. Young people then initially contribute to older people's pensions and when they are older, they in turn benefit from contributions paid by younger people.

But the labour market has changed. People change jobs more often, start working for themselves or stop working for a time. The flat-rate contribution system then no longer works, which is why we are abolishing the flat-rate contribution system in the new pension.

9 The transfer from the old to the new pension: the transition

Employers and unions opted to incorporate our current pension into the new pension. As a result, all the current pension scheme rules will lapse, and the new rules will apply.

Pensioenfonds PDN will therefore calculate the value of your current pension on 1 January 2026 and will ensure that this value is transferred to your own pension pot as starting capital.

This also means that the buffer that Pensioenfonds PDN currently holds will become available. This buffer is currently needed to guarantee the level of your pension. However, this guarantee will no longer exist in the new pension, as from then on your pension will move in line with the economy.

We express the size of the buffer that becomes available using the term ‘funding level’. At a funding level of 100%, exactly the same amount of assets are available in the pension fund to make all pension payments now and in the future. The buffer will then be 0%.

If the funding level is 110%, this means the pension fund has 10% more in assets than is needed to make the pension benefit payments. The buffer is then 10%.

The employers and unions have agreed how they intend to distribute the buffer when this ceases to exist on 1 January 2026:

Priority	Used for:	Needed	Funding level:
1.	Compliance with statutory requirements: • Minimum required assets • Reserve operational costs	1%	
2.	Conversion of current pension to value in the pension pot	100%	
3.	Compensation for the cancellation of the flat-rate contribution system	2%	
4.	Supplementing the solidarity reserve	3%	
	Minimum required funding level. If the funding level is below 107%, the employers and unions will consult again, and the new pension will not start on 1 January 2026.		107%
5.	Further supplementing the solidarity reserve up to 5%	2%	
	Target funding level: All the employer and union targets have been achieved.		109%
6.	Increasing pension pots by 1% to 21% depending on the funding level.		110% tot 130%
7	Employers and unions will consult again regarding the distribution of the buffer		Higher than 130%

You can see from the chart above that employers and unions need a minimum funding level of 107% to transition properly to the new pension. This will enable them to ensure that pensions are equivalent to the current pension for everyone. And with the buffer of 7% they can

- comply with statutory requirements,
- compensate those who are disadvantaged by the abolition of the flat-rate contribution system, and
- supplement the solidarity reserve sufficiently to minimise the short-term likelihood of pension pots falling by more than 15% or cuts being needed in pension payments to pensioners.

If the funding level is 109%, the employer and union targets for the transition will have been fully met. The solidarity reserve will also be at the desired level of 5% of the assets set aside for pensions.

If the funding level is higher than 109%, the social partners aim to increase the pension for everyone. For example, if the buffer is 120%, Pensioenfonds PDN can, according to the social partners' agreements, increase everyone's pension pot by 11% (120 - 109 = 11). This increase can partially compensate for previous missed indexation.

As the funding level changes in line with the economy, we are currently unable to predict which funding level we will have and how high the buffer will be. You can monitor the funding level changes on the Pensioenfonds PDN website.

The funding level will be determined at the end of 2025.

PDN PENSIOENFONDS

The new pension. Also for you.

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Contact

For questions about your pension, please visit the website: pdnpensioen.nl

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