

General Board Member

Pensioenfondas PDN

Pensioenfondas PDN

Pensioenfondas PDN is a company pension fund and administers the pension scheme for employees of DSM and its affiliated companies in the Netherlands. The fund has over 27,000 members, approximately 5,000 of whom are active members, 13,000 are pensioners and 9,000 are deferred members. The total invested capital is approximately seven billion euros. The basic pension scheme administered by the fund is a CDC (Collective Defined Contribution) scheme. An individual net pension scheme is also administered.

The Board of Pensioenfondas PDN aims to invest the contributions of the members of the pension scheme in such a way that an optimum return is achieved at an acceptable level of risk and expense.

The Board has outsourced the provision of policy advice, management support and activities arising from the pension administration, communication, financial administration and asset management to DPS BV. In addition, the Board uses the services of an actuary, an accountant and a compliance officer.

Board

Pensioenfondas PDN is managed by a Board of a maximum of eight members who have equal representation. Four of the members are appointed on the recommendation of the affiliated employer, two are nominated by the Central Works Council on behalf of the employees, and two representatives of the pensioners are elected by and from them. Up to half the number of employer seats, half the number of employee seats and half the number of pensioner seats can be filled by Board members who are not Pensioenfondas PDN members or pensioners.

From among their ranks, the Board Members with equal representation appoint two Operational Board Members for the Pensions & Communication and Investments focus areas, one on behalf of the employees and one on behalf of the employer. They all work three days for the fund. They are Chairs of both Board committees, lead projects and handle tactical and operational matters. In addition to the eight Board Members with equal representation, since spring 2023, Pensioenfondas PDN has also had an independent Chair of the fund (without voting rights). From spring 2023, the independent Chair and both Operational Board Members form the Executive Board of Pensioenfondas PDN.

Supervisory Board

In connection with statutory internal supervision, the Board has established a Supervisory Board comprising three external independent experts.

Accountability Council

The Board has also established an Accountability Council in which the fund's stakeholders are represented. The Accountability Council has statutory accountability tasks and a number of advisory rights as stipulated in the Dutch Pensions Act.

Committees and Consultation Platforms

Pensioenfondas PDN has established a Pensions and Communications Committee and an Investment Committee as permanent Board Committees. A Complaints and Disputes Committee has also been established to handle appeals relating to stakeholder complaints and disputes.

As well as committees, Pensioenfondas PDN has two consultation platforms to support the key function holders. These are the Consultation Group and the Audit Advisory Committee.

General Board Member profile

Purpose of the position

The position of General Board Member applies to new Board Members. A General Board Member is not yet a member of a Board Committee and has not yet been assigned to any specific focus areas. In order to meet the suitability requirements to become a Board Member who is a member of one or more Board Committees and consultation platforms and covers specific focus areas, the intention is that a General Board Member develops as quickly as possible via following training and gaining experience.

Suitability requirements

The Suitability Policy Plan describes Pensioenfonds PDN's policy relating to Board suitability. This plan determines the suitability requirements each Board member must meet on appointment. Suitability is understood to mean content expertise, competencies, skills and professional conduct.

These requirements are embedded in the current job profile and are stated in more detail below.

Content expertise

- At least a Higher Professional Education (Dutch HBO) level of ability.
- Suitability on appointment at at least level A in all the focus areas listed below (corresponding to the Guide to the Pension Fund Board of the Pension Federation to which the Board has added risk management, information technology (IT) and ESG).
 1. managing an organisation
 2. relevant regulations and legislation
 3. pension schemes and types of pension
 4. financial aspects (actuarial aspects and financing, investment policy and asset management, reporting, balance sheet management and insurance/reinsurance)
 5. administrative organisation and internal audits
 6. communication
 7. outsourcing of work
 8. risk management
 9. IT

NB: Has an affinity with sustainability policy and ESG investing.

- The ultimate goal is that a General Board Member becomes a member of a Board Committee as soon as possible after their appointment as a General Board Member and, to this end, should increase their knowledge in a specific area of expertise and meet the specific job profile and requirements set for a committee member in the ambition-suitability matrix. When selecting the General Board Member, particular attention will be paid to the candidate's ability to develop to level B in the specific area of expertise.

Competencies and skills

Each new Pensioenfonds PDN Board Member must possess the following competencies and skills to a sufficient degree:

- authenticity and independence
- capacity for self-reflection and a sense of perspective
- situational awareness, ability to empathise, team player
- good communication skills
- strategic insight and helicopter view
- persuasiveness
- financial and analytic ability
- result orientation

Professional conduct

- When carrying out duties, focuses on the interests of members, deferred members, pensioners and affiliated employers involved in Pensioenfond PDN. Demonstrates independence, i.e. is able to act independently and balance interests, and avoid any appearance of a conflict of interests. Feels involved in the day-to-day business of the organisation and is committed to achieving Pensioenfond PDN's objectives (personal ownership).
Acts with integrity, is reliable, honest and respectful, and acts consistently in different situations. Acts in accordance with their principles and sticks to them even in difficult circumstances when pressure is exerted to deviate from them.
- Is aware of the effect of boardroom dynamics, the 'tone at the top', and is aware of their own behaviour in group dynamic processes and of the effects of such processes. Is aware of the significance and importance of integrity for the fund and its reputation.
- Follows the training plan drawn up specifically for the Board as well as for them. Attends Board meetings and provides constructive input at them. Is willing to have their performance as a Board member assessed. Acts in accordance with laws and regulations, articles of association, regulations, the code of conduct and social standards. Exercises due care in handling any information provided.

General conditions and appointment procedure

Diversity

Pensioenfond PDN prioritises diversity in Pensioenfond PDN's Board in terms of knowledge and competencies on the one hand, and age and sex on the other. The aim of the Board's composition is to ensure that it reflects the membership as far as possible, with Board members who complement each other and whose competencies and perspectives strengthen each other. The aim is that the Board should at least have one female member, one member under the age of 40 and one member over the age of 40. Special attention will be paid to these aspects when vacancies are filled. In the event of equal suitability, preference will be given to candidates who bring more diversity to the Board.

Appointment and assessment

Board Members are in principle appointed for a term of four years, in which the total maximum term of office of a Board Member within Pensioenfond PDN (whether consecutive or not) is 12 years.

Each candidate is nominated on the basis of their suitability and potential contribution in terms of knowledge, experience and competence in the fields identified in line with the needs of the Board at the time of the nomination.

Pensioner Representatives on the Board are elected by the Pensioners. Election Regulations have been drawn up for the Election of Pensioner Representatives to the Board. The selection of candidates for the election, and the appointment and assessment of the prospective Board member takes place in the most objective and careful way possible. To be accepted on the candidate list for the election, the candidates should meet the general job profile as determined by the Board, following Supervisory Board approval. The candidates with the highest number of votes will be elected. If an elected Board Member resigns in the interim, the next in line to be an elected member from the most recent elections will be approached. This candidate will be nominated for a term of four years.

The candidates must meet the general job profile as determined by the Board, following Supervisory Board approval. Depending on the candidate's suitability, a period of prospective membership may apply prior to the appointment, during which the candidate can develop further.

The Board submits the final appointment of a candidate member to the Supervisory Board.

The Supervisory Board may veto the appointment of a candidate member if they do not meet the profile. The appointment by the Board and Supervisory Board is subject to the suspensive condition of approval by De Nederlandsche Bank (DNB). De Nederlandsche Bank will assess the proposed Board Member on the basis of this profile and within the context of the composition of the Board as a whole. The Board Member will be appointed following receipt of De Nederlandsche Bank's notice of approval.

Time requirement and remuneration

An explicit assessment criterion is the time that the proposed member has available for the role; the FTE score applies here. If they are to perform their duties properly, Board Members must have sufficient time and be easily contactable. The full-time equivalent (FTE) for the position of a Board member is 0.2 FTE (on average 1 working day a week). The actual time requirement will vary over time.

The remuneration of Board Members is in line with the Pensioenfonds PDN Remuneration Policy. The remuneration for a General Board Member amounts to €29,141.25 (as of 1-1-2024) per year. For a Prospective Board member, a remuneration of 50% of the remuneration of a General Board Member applies, namely €14,570.63 (as of 1-1-2024) per year.

Profile

Investment Committee Member

Pensioenfondos PDN

Additional specific profile for Investment Committee Member

In addition to the above general job requirements that apply to each Board Member (see General Board Member profile), Board Members are expected to improve their competency further through demonstrable training and/or experience in line with the specific position and/or membership of the committee(s) in which the relevant Board Member fulfils a role. For this governance position, this concerns membership of the Investment Committee.

Specific tasks

- The Board Member is responsible together with the Committee Board Members for performing the Committee's tasks. Special focus areas may also be assigned to a Board Member.
- The Committee's core duties are:
 - advising the Board on strategic investment policies;
 - monitoring and evaluating the implementation of the investment policy;
- Board Members are responsible for their own development in the specific investment field.

Specific suitability requirements

Expertise

In the first year of membership of the committee, the emphasis is on deepening investment knowledge and applying this in

an investment portfolio context. The Board Member:

- On acceptance of the position, has at least suitability level B in the relevant areas of 'actuarial aspects and financing' as described in the Pension Federation's 'comprehensive overview of areas of expertise' attachment to the 'managing a pension fund' service document (2022);
- Possesses sound investment knowledge, including insight of financial markets, investment categories and instruments, and the relationship with pension obligations;
- Has the ability to apply this knowledge in a portfolio context and can identify and assess relevant developments in this regard;
- Can translate investment vision to 'exposure';
- Can explain why investment categories are added to a portfolio;
- Has knowledge of measuring performance and evaluating investment categories and managers;
- Has knowledge of the strategic investment cycle.

After the first year of membership of the committee, in addition to deepening knowledge and applying this in an investment portfolio context, the emphasis will be on applying the accrued work experience. The Board Member:

- Has multiple years of experience with and substantial knowledge of and affinity with asset management and balance sheet management (and the outsourcing of this) based on pension funds, as well as with the policy choices appropriate to an organisation of Pensioenfonds PDN's size.
- Is able to act as a sounding board to and from the Board with respect to strategic investment and other policy formation.
- Has a vision on investment and considerable experience with financial markets, including an understanding of various investment strategies and asset classes that are relevant for Pensioenfonds PDN.
- Has experience of using quarterly and monthly reports to monitor the implementation of asset management in terms of returns and risks.
- Is able to assess asset management reports in an objective way and to translate these into policy measures.
- Has experience with decision-making regarding selection and monitoring of the asset managers who actually manage the relevant investments.
- Monitors developments with respect to investment policy, asset management and risk management (particularly investment risks) for pension funds and is able to translate the consequences of this for Pensioenfonds PDN.

Professional conduct and competencies.

- Has sufficient countervailing power with respect to the asset manager(s). Is
- strategically innovative and has tactical insight of operations.
- Can demonstrate at least the following competencies:
 - helicopter view;
 - good communication skills.
 - Is able to bring across complex matters convincingly.