Pensions.

Vopak Pension scheme – English summary

28 February 2017

Pensioenfonds Vopak

Summary Vopak Pension scheme

This leaflet informs you about:

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Please note that the information in this summary is general and for information purposes only. You cannot derive any rights from this summary. If you would like advice tailored to your personal situation, please contact the Vopak pension department by phone on (+31)10 400 2650 or by sending an e-mail to pensioenbureau@vopak.com.

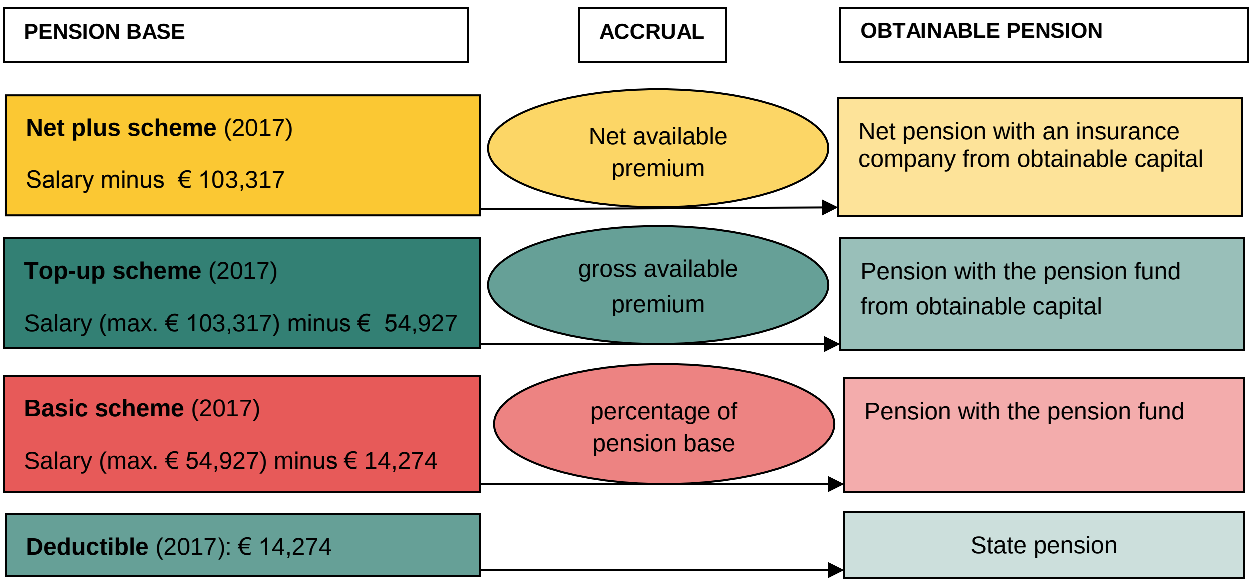
1. Pensions in the Netherlands

After your retirement at the age of 67, you will probably receive income from three sources:

Source 1: a state pension (in the Netherlands called "AOW").
Source 2: an additional pension accrued during your employment.
Source 3: a pension from a private source, like savings or insurances.

This summary deals with the additional pension accrued during your employment with Vopak. All Vopak employees in the Netherlands participate in the Dutch pension scheme, unless other arrangements have been made.

The main parts of the Vopak pension scheme are shown in the diagram below.



The regular retirement age is 67. It is, however, possible to choose to retire earlier or later, but this will affect the level of the pensions.

2. Old age pension - Basic scheme (defined benefit)

In the basic scheme the annual accrual of the old age pension amounts to 1.875% of the pension base for that year. The pension base equals the salary (maximized) minus a deductible (in Dutch: ”franchise”). This deductible is taken into account because of the fact that you receive a state pension from the age of 67.

Each year, the trustees of the pension fund decide on a (conditional) indexation of the accrued pensions. This indexation depends in particular on the financial position of the pension fund and the level of the general (average) salary increase at Vopak.

The maximum salary in the basic scheme amounts to € 54,927 for 2017. The deductible in the basic scheme amounts to € 14,274 for 2017.

<u>Example</u>

Mark is 30 years old. His income amounts to € 45,000. If the deductible is € 15,000, Mark will accrue a pension of 1.875% x (€ 45,000 – € 15,000), which is € 562.50 in 2017. If Mark stays with Vopak until the age of 67, his pension will amount to 37 x € 562.50, which is € 20,812.50 (gross per annum).

3. Old age pension - Top-up scheme (defined contribution)

In the top-up scheme, the pension accrual is effectuated by the deposit of a premium in a blocked investment account. The premium equals a percentage of the salary exceeding the maximum salary in the basic scheme up to a maximum of € 103,317 (2017). The percentages are age-related and amount to:

Age	Percentage	Age	Percentage
up to 25	6.8%	45 up to 50	14.4%
25 up to 30	7.9%	50 up to 55	16.8%
30 up to 35	9.2%	55 up to 60	19.8%
35 up to 40	10.6%	60 up to 65	23.5%
40 up to 45	12.4%	65 up to 67	26.7%

<u>Example</u>

Mark (aged 30) earns a salary of € 60,000, the deductible is € 15,000 and the maximum salary in the basic scheme amounts to € 55,000.

At the age of 67, Mark’s pension under the basic scheme will amount to: 37 x (€ 55.000 - € 15.000) x 1.875% = € 27,750 (gross per annum).

The pension base for the top-up scheme equals € 60,000 – € 55,000 = € 5,000. In the first year, the premium for Mark amounts to 9.2% x € 5,000, which equals € 460. Based on an investment return of 4% per annum, at the age of 67 Mark will have obtained a pension capital of € 57,600. With this capital Mark can finance an annual old age pension of € 2,700 (gross per annum).

Mark’s pension will equal € 27,750 + € 2,700 = € 30,450 gross per annum.

Investing premiums

The premium in the top-up scheme will be transferred to an individual blocked investment account. On receipt of the premium on the investment account, the money is immediately invested in investment funds.

For the allocation to the investment funds, the Vopak pension fund has developed a standard (age-related) model with the help of an external expert.

	up to 47	from 47 up to 57	from 57 up to 62	as of 62
Euro long-term government bonds	0%	0%	linear increase to 60%	60%
Euro government and corporate bonds	0%	linear increase to 50%	linear decrease to 20%	20%
Worldwide equities	40%	linear decrease to 8%		8%
European equities	20%	linear decrease to 4%		4%
Emerging market equities	20%	linear decrease to 4%		4%
Emerging Market bonds	20%	linear decrease to 4%		4%

According to the research conducted by the external expert, the standard model leads to an optimal balance between return and risk. However, it offers no guarantee on the returns. It is possible to choose to opt for an alternative allocation of the contribution to investment funds.

Investment choice

On the "Investment choice top-up scheme", you are requested to fill in your choice with regard to the allocation of investments for the top-up scheme. You can change your choice at any time by filling in a new form.

4. Old age pension - Net plus scheme (defined contribution)

For income exceeding € 103,317 (2017), Vopak has introduced a voluntary net plus scheme. Under this scheme, the employee receives a gross compensation for income exceeding € 103,317. This compensation is charged with income tax. The premium for the net plus scheme is deducted from the net salary. Taking into account an income tax rate of 52%, the gross compensation reduced with the income tax and the net premium equals nil and has no effect on the net salary. The net premium is transferred to an individual blocked investment account.

The difference between the top-up and net plus scheme is the moment you pay income tax. For the top-up scheme, you pay income tax at the moment that you receive pension payments after your retirement. For the net plus scheme, you pay income tax at the moment that you receive the gross compensation. After retirement you receive a (tax-free) net pension.

Both the gross compensation and the net premium are age-related percentages and amount to:

age	Gross compensation	Net premium	age	Gross compensation	Net premium
up to 25	8.2%	3.9%	45 up to 50	16.5%	7.9%
25 up to 30	9.6%	4.6%	50 up to 55	19.0%	9.1%
30 up to 35	10.9%	5.2%	55 up to 60	21.8%	10.4%
35 up to 40	12.5%	6.0%	60 up to 65	24.9%	11.9%
40 up to 45	14.4%	6.9%	65 up to 67	27.1%	13.0%

Investing premiums

The net premium is reduced by a risk premium for a surviving dependants' pension and a risk premium for the waiver of premium in case of disability. The remaining amount is transferred to an individual investment account.

As soon as the premium is deposited into the investment account, the money is invested in investment funds. For the allocation to the investment funds, the same standard (age-related) model is used as for the top-up scheme.

Participation in net plus scheme is voluntary

The net plus scheme is a voluntary scheme. This means that you can withdraw from this scheme. If you want to end your participation in the net plus scheme, you need to fill in a form. If you opt out of the net plus scheme, you also cancel your insurance for the survivors' pension and for the waiver of premium in case of disability. As such a withdrawal also impacts on your partner's future financial situation, he/she will have to co-sign the form. Please note that Vopak's gross compensation payment is not affected by whether or not you participate in the net plus scheme. Therefore, you will continue to receive the gross compensation after withdrawing from the net plus scheme.

5. Surviving dependants' pension in the event of death

What has been arranged for your partner and children if you die? Part of your pension scheme is the pension for your surviving dependants. After all, your income stops and your partner will need financial compensation for this. What can your partner expect? What are your partner's rights?

Partner's pension

In the Vopak pension scheme the definition of a partner is:

- the lawfully wedded husband / wife;
- the single person with whom living together is notarized in a partnership contract.

In the basic scheme there is a standard surviving partner's pension amounting to 70% of the old age pension. As an active participant, the surviving partner's pension is based on the obtainable old age pension, taking into account the future accrual up until the regular retirement age.

In the top-up scheme the partner's pension for active participants amounts to 1.313% of the average salary above the maximum in the basic scheme up to the maximum of € 103,317 for each year of participation up until the retirement age.

In the net plus scheme the net partner's pension for active participants amounts to 1.160% * 48% (based on the highest income tax rate) of the final salary exceeding the maximum in the top-up scheme for each year of participation up until the retirement age.

Your partner is generally entitled to a partner's pension from the moment you die until the moment your partner dies.

Example

Mark (aged 30) earns an income of € 120,000. For 2017, the deductible, the maximum salary in the basic scheme and the maximum salary in the top-up scheme amount to € 15,000, € 55,000 and € 100,000 respectively.

In this example, the partner's pension in the first year of participation is calculated as follows:

- Basic scheme: 37 x 1.875% x 70% x € 55,000 minus € 15,000 = € 19,425 (gross per annum).
- Top-up scheme: 37 x 1.313% x € 100,000 minus € 55,000 = € 21,861 (gross per annum).

In total the gross partner's pension insured with the pension fund equals: € 19,425 + € 21,861 = € 41,286 gross per annum.

In the net plus scheme, the net partner's pension (insured with an insurance company) amounts to 37 x 1,160% x 48% * € 20,000 is € 4,120 (net per annum).

Orphan's pension

In the Vopak pension scheme your children are entitled to an orphan's pension if you die. Your children are generally entitled to an orphan's pension from the moment you die until they reach the age of 18. Children who are studying or disabled may be entitled to an orphan's pension until the age of 27. The orphan's pension amounts to 20% of the partner's pension.

In the preceding example the gross orphan's pension in the pension fund equals: 20% x € 41,286 = € 8,257 (per annum).

Under the net plus scheme, the net orphan's pension with an insurance company equals 20% x € 4,120, which is € 824 (per annum).

Voluntary additional surviving partner's pension

The Surviving Dependants Act (Anw) pension is a state pension for dependants in the event of death. Not everyone is entitled to this state pension, because the right depends on age, family situation and income of the dependants. If your partner meets the requirements, he or she will receive an Anw pension until he or she has reached the age to receive a state pension (AOW) himself/herself, or the earlier moment when your partner marries or starts living together with a new partner.

Your partner will be entitled to an Anw pension if he or she is younger than 67 and is insured under the Anw (everyone who is registered in the Netherlands is insured under the Anw). Your partner must also meet one of the following requirements:

1. born before 1 January 1950, or
2. occupationally disabled for at least 45%, or
3. pregnant or caring for a child under the age of 18.

The Anw also includes an income test. If your partner earns their own income, the benefit will be reduced.

In the Vopak pension scheme you can opt for an Anw shortfall insurance (in Dutch: Anw-hiaatverzekering). This insurance covers the Anw shortfall if your partner does not meet the requirements. The insured additional surviving partner's pension for 2017 amounts to € 17,070 (gross per annum) and will be paid after your death from the moment that the youngest child reaches the age of 18. For 2017, the premium for this Anw shortfall insurance amounts to:

age as per 1 January	annual premium	monthly premium
up to 35	€ 34.43	€ 2.87
35 up to 40	€ 81.24	€ 6.77
40 up to 45	€ 144.64	€ 12.05
45 up to 50	€ 276.23	€ 23.02
50 up to 55	€ 459.42	€ 38.29
55 up to 60	€ 620.34	€ 51.70
as of 60	€ 716.17	€ 59.68

After you have applied for this insurance, the premium will be deducted from your gross salary.

6. Pension transfers

You move to a new employer. What should you do with the pensions you have accrued with your former employers? Should you take these with you to your new employer or should you leave them behind? If you leave them behind, the pensions you have accrued will remain with your former pension fund or insurer.

They will pay out the pensions in the event of retirement or death. If you take your pensions with you, this is referred to as a value transfer (in Dutch: waarde-overdracht).

What is the procedure?

Value transfers are not automated. To realise value transfers a specific procedure must be followed, and this may take some time (up to 12 months). You can carry out a number of steps yourself. The Vopak pension fund also carries out certain prescribed activities. If you are interested in a value transfer, you should start the procedure within six months after the first day of your Vopak employment. Your former Dutch pension fund or insurer is legally obliged to cooperate. If six months have passed since you started working with Vopak, this obligation for the pension fund or insurer will no longer apply.

Steps to take

You have a new job with Vopak. You would like to transfer your pensions to the Vopak pension scheme. What steps are involved? For help with any of these steps, please contact the pension department.

Step 1
You receive the form 'Request form Pension transfer' from the Vopak Pension Fund. Are you considering a value transfer? Please fill in this form and return it to the Vopak Pension Fund.

Step 2
The Vopak Pension Fund forwards the form to your former pension fund or insurer.

Step 3
The Vopak Pension Fund receives a statement of the transfer value of the pension you have accrued with your former pension fund or insurer.

Step 4
You receive a statement of the consequences of the transfer to the Vopak Pension Fund.

Step 5
You decide within two months whether you wish to invoke your right to transfer your pensions.

Step 6
If you agree with the transfer, the Vopak Pension Fund will request your former pension fund or insurer to pay the transfer value to the Vopak Pension Fund.

Step 7
After receiving the transfer value, the Vopak Pension Fund confirms this to you.

Note: If you are married or have a partnership contract, your partner must agree with the request to transfer the value of the survivors' pension. If your partner does not wish to transfer the value of the survivors' pension, it will remain with your former pension fund or insurer.

7. Other components of the pension scheme

Other components of the Vopak pension scheme are a disability pension for the salary exceeding the social security threshold and a waiver of premium in case of disability.

The standard retirement age is 67, but you can also opt to retire earlier or later by advancing or deferring your old-age pension. Another option is to vary the level of your pension benefits.

You also have the option to exchange the partner's pension for additional old age pension. Because this reduces the partner's pension, your partner must agree to this. You only need to make this decision at the individual retirement age. Your pension scheme offers more possibilities than you may have considered!

If you need any additional information, please feel free to contact the Vopak pension department by phone on +31 10 400 2650 or by sending an e-mail to pensioenbureau@vopak.com.

Vopak finds strength in its global network

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