



TRANSITION PLAN SNPS

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Foreword

Dear colleagues and former colleagues,

This document outlines the transition plan of the Shell Nederland Pensioenfonds Stichting (SNPS) pension scheme, in which the changes that are the result of the Future Pensions Act (Wtp) are elaborated and explained. In this transition plan, you will find information about the new pension scheme, the transition to it, and what this means for the different groups of participants of SNPS.

Shell Nederland, the Central Works Council (COR) and the pension fund, SNPS, together with external experts have gone through a very careful process to shape this transition. We worked together intensively to ensure that we can take advantage of the opportunities that the Wtp brings to all participants, whereby the principles of Shell Nederland and the COR played an important role. We have informed and engaged colleagues, as well as former colleagues, early and frequently and have received valuable input that has also led to adjustments to the transition plan.

The considerations that were important in this transition are further elaborated in this transition plan. The transition plan shows that, partly based on input from the SNPS board, Shell Nederland and the COR have designed a balanced transition that does justice to the interests of all participant groups. This lays the foundation for a good and future-proof pension scheme.

We would like to thank all participants and stakeholders involved for their input, commitment and valuable contribution.

Shell Nederland B.V.

French Everts
President-Director Shell Nederland B.V.

Central Works Council

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Chairman of the Central Works Council



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1. Introduction

1.1. New pension legislation

The Future of Pensions Act (Wtp) has been effective since 1 July 2023. The Wtp is the result of a long-term social discussion about the sustainability of the Dutch pension system, which in 2019 led to the Pension Agreement agreed between the Cabinet, trade unions and employer organisations. The Wtp pertains to a change in the pension system in the so-called second pillar. This pillar pertains to pension that is accrued at an employer.¹

The objective of the new system is threefold. It aims to:

- Offer earlier perspective on a purchasing pension;
- Be more transparent and personal; and
- Better aligned with developments in society and the labour market.

The Wtp stipulates that the transition to the new system as a whole must be balanced.

What remains the same?

The starting point of pension accrual with an employer remains that the pension is accrued jointly by the employer and the employee to realize a good old-age pension.

Participants will be covered in the event of death (and, where applicable, for disability). And some risks are shared with each other.

Employers and employees deposit premiums, pension providers invest that money and pay out the pension benefits.

What is changing and when?

The Wtp determines that future pension accrual at an employer can only take place in the new pension system from 1 January 2028 at the latest, whereby accrual is only permitted in a defined contribution scheme with a flat (age-independent) premium that applies to all active participants in a pension scheme.

The current SNPS scheme, which was introduced on 1 July 2013, has always been a defined contribution scheme from the start. However, the premium in that scheme is (still) age-dependent; the premium increases as an active participant ages.

The Wtp also assumes that pensions already accrued in pension funds are in principle 'transferred' into the same new system. This also applies to already existing defined contribution schemes such as at SNPS, whereby the already accrued pension capital must be transferred to the new pension schemes of SNPS. However, because there is no collective capital with a defined contribution scheme, the possible consequences of a value transfer transition are very limited.

¹ The pension system in the Netherlands consists of three pillars: (i) the state pension, the AOW pension, which forms the basis, (ii) pension accrual via the employer and (iii) individual supplementary pension provisions.



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For existing defined contribution schemes with a progressive premium (a premium that increases as an active participant ages), these must be converted to a defined contribution scheme with a flat, age-independent premium. This conversion has consequences for the expected pension accrual of current (active) participants. In order to also ensure a balanced transition for these pension schemes, a transitional measure has been taken in the Wtp. This measure means that the current age-dependent premium scale may be continued for existing employees in defined contribution schemes (the so-called respectful effect). The flat premium then only applies to new employees.

Shell Nederland intends to realise a transition plan for SNPS whereby the changes follow what the Wtp determines and advocates. Shell Nederland endorses the objectives of the legislative changes, which in important respects are in line with the changes that have already been implemented in the pension scheme for new employees that has been housed in SNPS since 1 July 2013. The scheme as described in this transition plan is in line with these objectives.

1.2. Shell pension schemes

At Shell in the Netherlands, we currently have three pension schemes:

1. SSPF scheme; a gross pension scheme (benefit scheme) up to a certain salary level, for (former) employees hired before 1 July 2013, which is carried out by Stichting Shell Pensioenfond (SSPF);
2. SNPS scheme; a gross pension scheme (defined contribution scheme) up to a certain salary level, for employees who started employment as from 1 July 2013, which is carried out by Shell Nederland Pensioenfond Stichting (SNPS); and
3. Net scheme; a net pension scheme (defined contribution scheme) above a certain salary level, which is carried out by SNPS.

For more information about the current pension schemes, please refer to www.shellpensioen.nl.

This transition plan describes the agreements between Shell Nederland and the Central Works Council (COR) for the transition to the new pension system of both SNPS schemes (under 2 and 3 above). This concerns the gross pension scheme and the net pension scheme that applies to employees who meet the conditions for that scheme.

After a careful consultation process with all parties involved, Shell Nederland and the COR have jointly come to the design of a balanced transition that is described in this transition plan. Shell Nederland and the COR have considered the principles and objectives with regard to balance and have also looked at alternatives.

The Association of Former Employers of the Royal Shell (VOEKS), the association for former participants and pensioners of SSPF and SNPS, indicated, upon request, that they do not want to exercise a hearing right for the transition of the SNPS pension schemes, because they do not meet the representativeness criteria.



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No other representative associations have reported to Shell Nederland. This means that no hearing right has taken place. The consequences of the transition of SNPS for pensioners and former participants are very limited. This is without prejudice to the fact that the communication to the participants (including inactive participants) of SNPS provides room to take in detailed information and the possibility to ask questions.

1.3. Transition plan

This transition plan provides insight into the choices made in the employment related consultation in the context of the switch to a defined contribution scheme with an age-independent premium. In addition, the considerations and calculations underlying the amendment of the pension agreement are recorded. This also applies to the way in which the accrued pension entitlements and pension rights are handled and the effects thereon. This transition plan contains the justification why, partly based on the mutual coherence of the agreements made, there is a balanced transition. All agreements are further recorded in the relevant documents, namely the pension regulations and the administration agreement between Shell Nederland and SNPS.

This transition plan has been drawn up with the utmost care and accuracy for the purpose of the transition to the new pension system based on the Wtp. The calculations and outcomes shown in this document are based on models and outcomes that are (partly) prescribed by the government and have been performed and validated by experts specialised in this². However, it may still contain errors or imperfections. The results expressly do not give guarantees for the future. Shell Nederland and/or the COR therefore accepts no liability for damage caused by any inaccuracy of the calculations and results shown unless it is established that this damage is due to intent or gross negligence on the part of Shell Nederland and/or the COR.

Assignment to SNPS

Through this transition plan, Shell Nederland and the COR instruct SNPS to implement the proposed gross and net pension scheme as of 1 January 2026³ in the manner described in this transition plan.

Shell Nederland and the COR request that SNPS make the transition plan available by means of publication on its website to the active participants, former participants, former partners and pension beneficiaries in accordance with Article 150 d paragraph 3 of the Pensions Act.

² The calculations were performed by a third party – independent – Ortec Finance Investment Consulting B.V. (Ortec Finance). Ortec's processes are ISAE 3000 type I certified, which means that internal management processes are performed as described. The ISAE 3000 type I certification is a quality control. In addition to Ortec Finance's internal control processes, a validation took place by the actuary of the COR.

³ This date was indicated by SNPS to Shell Nederland and the COR as the deadline for implementation due to feasibility and sound business operations.



2. Parties involved, the process and communication

2.1. Parties involved

The significant change the Wtp envisages requires the involvement of multiple parties. A project structure has been set up at Shell Nederland, in which various expertise have a role to carefully shape the process and this transition. In addition, there are important stakeholders at Shell Nederland who have their own role to play in this process and the transition.

Shell Netherlands

In this Wtp transition, Shell in the Netherlands represents all Shell entities that employ employees who accrue or have accrued pension in the Dutch pension schemes.

After the Pension Agreement was established in June 2019, Shell set up a project team. This team consists of colleagues from various disciplines and with different expertise, and is tasked with completing the transition that is intended with the Pension Agreement and the Wtp. The project team consists of representatives on behalf of Shell Nederland and the Shell Group. Until February 2023, representatives on behalf of the Pension Fund's advisor, Shell Pensioenbureau Nederland (SPN), also participated in this team, in particular to discuss knowledge and interpretation of legislation in the first phase and to explore the possible upcoming changes. Where necessary, the project team was assisted by external advisors.

In addition, a steering committee has been set up, the *Decision Review Board*. It endorses proposed decisions and monitors the progress of the project and serves as a sounding board group for the project team. Senior leaders of the Shell Group from various disciplines are represented in this steering committee.

Central Works Council

A Central Works Council (the COR) has been established at Shell Nederland. The COR consists of representatives of the local works councils and has a right of consent about the change(s) of the pension schemes that affect the pension agreement. The COR represents the employees at Shell in the Netherlands and thus the active participants in the SNPS schemes. In line with its statutory task, the COR also looks at the interests of the inactive participants (the former participants, former partners and pensioners) during this transition. A special pension committee has been set up within the COR, in which employees with affinity for and knowledge of pension are seated. For the Wtp transition, the COR has set up a Wtp working group, to conduct discussions on behalf of the COR with Shell Nederland and, at a later stage, with SNPS. The COR was assisted by an external pension adviser.

SNPS

SNPS is responsible for the implementation of the current pension schemes and is also requested to implement the new pension schemes and the intended transition. Two members have been appointed as the point of contact for the Wtp within the Board. The employee participation within the pension fund is set up via an accountability body. This accountability body has (increased) advisory rights with regards to



proposed decisions of the board regarding value transfer, the communication plan and adjustments of fund documentation in relation to the Wtp. SNPS is advised and supported by SPN and assisted where necessary by external advisors.

2.2. Process

2.2.1. The process followed

A change as described in this transition plan requires proper coordination between the parties involved. The plan was established after consultation with various parties with regard to all aspects of the transition, where necessary also supported by external advisors.

Appendix 1 contains a simplified overview of the roles and responsibilities of the main parties in the process.

The entire SNPS transition process in the employment conditions phase that led to this transition plan has taken place in various phases:

- Mutual understanding and knowledge gathering
- Deepening and exchanging visions
- Developing a joint vision and concept proposal
- Finalise proposal
- Right of consent COR and final decision-making

Mutual understanding and knowledge gathering

In order to be able to make a proper weighing of interests, it is important to clearly understand what this transition entails and what that will specifically mean for the pension schemes of Shell Nederland. In this first phase, which started after the establishment of the Pension Agreement, the project team spent a lot of time gathering knowledge and insights and sharing them with other parties. From 2020 to 2022, time was also spent in the regular consultation meetings between Shell Nederland and the COR on building up knowledge about the Pension Agreement and the proposed Wtp. It was also discussed what the proposed legislative change could mean in the specific circumstances of the Shell pension schemes in the Netherlands. During regular consultations with the COR Pension Committee, where SPN was also present, the developments were discussed, and knowledge was shared.

After the House of Representatives approved the proposed new law, a meeting was set up by the project team on 30 March 2023 with representatives of all parties involved (COR, Voeks, boards of SNPS and SSPF, accountability bodies of SNPS and SSPF, supervisory board of SSPF and Shell Nederland) in order to mark the formal start of a joint process in preparation for this transition. This meeting discussed the joint task and the various roles that the parties involved have to fulfil in the transition process.

Deepening and exchanging visions



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The Wtp transition is extensive and consists of various topics. From the fourth quarter of 2022, Shell Nederland and the COR have worked out in more detail per subtopic which choices must be made, and which qualitative and quantitative considerations are available for certain choices. In this phase, SPN provided initial insights into implementation technical aspects and possible limitations therein, and a first feasibility test was performed on possible aspects of the new pension scheme.

In 2022, SNPS also conducted a risk preference study among SNPS participants. The parties involved have taken note of these insights for further decision-making.

Developing a joint vision and a draft proposal

Shell Nederland and the COR started consultation in the summer of 2023 to arrive at a new pension scheme and develop the transition measures. The input from SPN and SNPS made an important contribution to the discussions that took place.

At the end of 2023, Shell Nederland and the COR came to a joint conclusion about the new pension scheme and the transition measures, which were further elaborated in a draft proposal.

Finalise proposal

In the following period, the iterative process with SNPS continued. On 28 February 2024, the draft proposal was shared and discussed with the SNPS board. Even after this meeting, regular consultations took place with SPN in order to be able to properly shape the transition for SNPS.

The input from the SNPS board that Shell Nederland and the COR received during the process was taken into account by Shell Nederland and the COR. The final proposal is elaborated in this transition plan. The employees of Shell Nederland (and the inactive participants)⁴ have also been informed about this.

Right of consent COR and final decision-making

The proposal has been translated into a proposed decision that has been submitted to the COR for approval. Subsequently, meetings at various Shell locations in the Netherlands and virtual meetings were organised to inform Shell Nederland employees and inactive participants about the content and background of the proposed decisions. On 1 July 2024, another addendum to the request for consent was submitted to the COR.

On 25 June 2024, the COR agreed to the intended decision. On 1 July 2024, an addendum to the request for consent was submitted to the COR. The COR's consent was also obtained for this. After that, the director of Shell Nederland made the final decision also on 1 July 2024. In Appendix 2, the request for consent, the addendum, the responses of the COR, and the final decision of the director have been added.

Appendix 3 contains an overview of the most important consultations with the COR and the board of SNPS, during the period 2023-2024.

⁴ Subject to consultation between Shell NL and the COR.



2.2.2. Follow-up steps

The transition plan is the formal conclusion of the first phase of the transition, with which the employment condition consultation between Shell Nederland and the COR is concluded. The agreements between Shell Nederland and the COR are laid down and justified in this transition plan.

Now that approval from the COR has been obtained and Shell Nederland has made the decision, Shell Nederland will also amend the pension agreement in accordance with this transition plan. Employees will be informed of this in writing.

With this transition plan, the request to SNPS is to accept the assignment contained therein to implement the new regulation and the proposed conversion of the existing rights and entitlements and to implement as of 1 January 2026. If the pension fund accepts the assignment, it will record the further elaboration of the scheme and the financial structure (including the risk appetite and the investment policy) in the implementation plan. SNPS must submit the implementation plan to De Nederlandsche Bank (DNB), which then has a period of at least six months to raise objections to this, with the possibility of unilaterally extending that period twice by three months. The legal deadline for the implementation plan is 1 July 2025.

As part of the implementation plan, SNPS also draws up a communication plan, in which it will be explained how SNPS – in consultation with Shell Nederland – will (further) inform all participants about the change of pension scheme, including the way in which the accrued pension entitlements and rights are handled. For this communication plan, the legal deadline for submission is also 1 July 2025. With regard to the communication plan, the Netherlands Authority for the Financial Markets (AFM) is the responsible supervisor.

SNPS must also send an order confirmation to Shell Nederland as the final piece of the order acceptance process. This order confirmation must provide insight into, among other things, how the design of the scheme aligns with the objectives as recorded in this transition plan. SNPS can only definitively accept the contract after DNB has approved the submitted implementation plan.

In order to ensure that Shell Nederland, the COR and SNPS have the same understanding with regard to the assignment and consequences of, among other things, employment-related choices for participants, Shell Nederland requests SNPS to provide a draft assignment confirmation, or an assignment confirmation subject to DNB's approval, prior to submission of the implementation plan to DNB and to consult with Shell Nederland in a timely manner before that time about any adjustments.

2.3. Communication to participants

Shell Nederland and the COR value that participants are well informed early about the upcoming changes. In doing so, SPN was involved at an early stage in order to properly coordinate the communication to active participants (current employees) and inactive participants (former participants, former partners and pensioners).



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Various interactions have taken place with (groups of) active participants. More specifically, in person and virtual information meetings were held for employees in May/June 2020 and June/July 2023, in which employees were informed about the Pension Agreement, the Wtp and the most important choices to be made. Separate Q&A sessions were also held to allow employees to ask questions. After finalising the proposal and submitting the request for consent, several in person and virtual information meetings were held again to explain the content and backgrounds of the intended decisions.

Additional information sessions will be planned by Shell Nederland and the COR to also provide inactive participants with an explanation of the content and background of the decisions that were made.

Except through these in person and virtual meetings, participants have been informed in other ways about (partial aspects of) the Wtp and the possible consequences for the Shell pension schemes. For example, a digital information page has been created where employees can find all important information that has been shared. This page was later converted into an externally accessible website for both active and inactive participants, dedicated entirely to the transition to the new pension system. This website contains all shared information, recordings of the information meetings and important background information, as well as an overview of the process, the expected timeline and a comprehensive Q&A document.

Communication also takes place via an open channel on Shell's internal communication platform, Viva Engage (formerly Yammer), only accessible to active participants.

An integrated approach was chosen for communication of Shell Nederland and SNPS during the decision-making phase, with the aim of uniform and effective communication to the various groups of stakeholders.

Information/guidance discussions with participants by SNPS

In addition to the aforementioned initiatives, to help inform participants during the implementation process, all participants will be given the opportunity by SNPS to receive information and explanation on the effects of this pension transition on their personal situation.

This will take shape in different ways. The intention is to provide general understanding and insight about the transition and to contribute to possible choice guidance. Participants will be informed of this later in the process by SNPS.



3. Principles, objectives and a balanced decision

Shell Nederland and the COR have jointly formulated a number of general principles and specific objectives that have served as a guideline for shaping the new pension scheme and the transition measures. These principles and objectives are often qualitative in nature. Where the qualitative principles and objectives allow, Shell Nederland and the COR have connected quantitative standards in order to assess the balance.

The principles and objectives are summarised as follows:

- Going through a careful process whereby the interests of all sub-groups are weighed and a transition is formed that can sufficiently meet the diversity of interests of these sub-groups.
- Pension must be and remain an attractive, market-based employment condition, with a good surviving dependant's pension scheme and disability scheme, and requires continued involvement of Shell Nederland and the COR with regard to the premium levels.
- Offering a future-proof and well-executable pension scheme with transition measures that contribute to a transparent and personal pension with individual flexibility and, insofar as possible and desirable, aligns with market standards and assumes equality for all employees of Shell Nederland who accrue pension with (one of) the pension schemes of Shell Nederland.
- The pension scheme and the transition measures must be interpretable, whereby creating an understanding of choices made, which contributes to acceptance, plays an important role.

An integral assessment of the aforementioned principles and objectives takes place in combination with the mapping of the transition effects based on specific quantitative measures, such as the expected pension outcomes and gross profit calculations.

Based on these quantitative analyses, it was examined whether the objectives were achieved with due observance of the principles. The calculations made show that the proposed transition as laid down in this transition plan meets these principles and objectives, which then leads to the conclusion that the whole of the proposed transition measures is balanced. This is discussed in more detail in Chapter 6 (Transition effects).



4. The new pension scheme

4.1. Choice of the flexible pension scheme

The current SNPS schemes (a gross and a net scheme) are already in the form of a defined contribution scheme, whereby an annual contribution percentage is promised.

For the new premium schemes at SNPS, a choice must be made for a flexible or a solidary premium scheme. After careful consultation with the COR, Shell Nederland has chosen to set up the future pension schemes as flexible pension schemes, because the characteristics of a flexible contribution scheme fit well with the diversity, independence and level of education of Shell employees. The current SNPS pension schemes already have many characteristics of the flexible contribution scheme.

The flexible contribution scheme offers individual freedom of choice: participants can choose to invest more or less riskily. This freedom of choice does not exist in the solidary contribution scheme. In the flexible contribution scheme, the returns from the investments accrue one-on-one to the individual participants. As a result, Shell Nederland finds the flexible contribution scheme more transparent than the solidarity-based contribution scheme, where complex calculation rules determine the development of the capital, and it is not clear in advance to participants how the achieved returns are added to their individual pension pot.

A further difference is that in the solidarity-based contribution scheme, compulsory reserves must be maintained in the form of the so-called solidarity reserve. This obligation does not exist in the flexible contribution scheme. The current SNPS scheme does not have a risk-sharing reserve and also has no buffers to fill it.

Shell Nederland and the COR see no decisive reasons to shape such a reserve in the new pension scheme. There is also an important difference between the flexible and solidarity-based contribution scheme at retirement. In the flexible contribution scheme, the participant can opt for a variable benefit (at the pension fund, the so-called 'continued investment') or a fixed benefit (to be purchased from an insurer, unless the pension fund itself offers a fixed benefit). This option does not exist in the solidarity-based contribution scheme; there the capital is automatically converted into a variable benefit with the fund.

All in all, Shell Nederland and the COR are of the opinion that the flexible contribution scheme is more individual, transparent and flexible than the solidarity-based contribution scheme agreement and thus better suits the participant population and the needs of different sub-groups.

4.2. Characteristics of the new pension scheme

The new pension schemes at SNPS (both the gross and net pension schemes) become flexible contribution schemes. As in the current SNPS pension schemes, there is the option to choose from different investment risk profiles during the accrual phase. If no choice is made, a default risk profile will apply that is determined by the pension fund based on a risk preference study. In the benefit phase, there is the option to opt for a



fixed pension with an insurer or variable pension with the pension fund. If no choice is made, the default of a variable pension applies.

A number of important matters remain unchanged in the new pension schemes compared to the current schemes. For both the gross and net pension schemes, the old-age pension remains lifelong, the employer and employee continue to contribute pension premium together and the pension assets remain invested collectively within the offered lifecycles and benefit circles. Participation in the gross pension scheme is also mandatory, just as in the current scheme. Participation in the net pension scheme is and remains voluntary.

Further specific features of the new pension schemes are:

- The gross pension scheme applies up to the maximum pensionable salary as applicable in the current SNPS scheme and the net scheme for the part above the maximum pensionable salary. As is currently the case, the net scheme has an opt-out option. The pensionable salary remains the same as the pensionable salary in the current SNPS schemes.
- The amount of the pension premium is an important part of the new pension scheme. In consultation with the COR, this was set at an employer's premium of 21% of the pensionable base. This does not include the costs for the risk premiums (approximately 5%) for surviving dependant's pension in the event of death in active employment and disability and the administration costs. The costs of the risk premiums and the administration costs for the active participants will be paid by Shell Nederland (as they are now⁵).
- In a standard situation, the employee premium amounts to 7% of the pensionable earnings and consists of a mandatory part of 2% and a voluntary part of 5%. Employees have the option to adjust this premium within the fiscal maximum premium space that is available. Currently, the maximum fiscal premium room is 30%. This means that employees can contribute at least 2% and up to a maximum of 9% of the pensionable earnings.

The COR has made a strong effort to increase the premium in order to improve the purchasing power of the pension. The proposed flat, age-independent premium is an improvement of the pension scheme compared to the current defined contribution scheme. An increased employer premium of 21% and a standard employee premium of 7% will increase the total contribution to the pension and will contribute to a pension with purchasing power.

- Continued involvement of the COR and Shell Nederland through a regular market review and discussion of whether the premium levels (employer and employee contribution) require adjustment to ensure that they have the desired market level, within the framework of Shell's strategy with regard to primary and secondary employment conditions. An initial market review among relevant market parties

⁵ This applies to the gross pension scheme; in the net pension scheme, the costs of the risk premiums for surviving dependant's pension in the event of death in active employment and disability are deducted from the premium that is invested and not paid separately by the employer.



and discussion thereon will take place in 2028 to determine the position in the market. Any adjustments will not take place earlier than in 2037. This is also the moment when the fiscal premium room is in principle adjusted for the first time, if the actual expected returns at that time give rise to this. At that moment also the possibility to pay extra premium via the pension scheme for the compensation for the introduction of an age-independent premium ends, which enables a better market comparison of the premium amounts.

- The proposed new pension scheme also has good financial security in the event of death in active employment. Incapacity for work is also well arranged. The amendments aim for equality for all active participants. For more information, please refer to section 4.3.
- Options are offered, among other things, with regard to investments. SNPS is responsible for the final set-up of this.
- Apart from the investment choices and the opt-out option of the net scheme, a number of other choices are also possible on the retirement date:
 - Advance the start date of the pension (up to 10 years before the state pension age of the participant concerned)
 - Delay the effective date (up to 70 years)
 - Possibility of part-time pension
 - Purchase of state pension bridge in case of early retirement of the regulatory pension date
 - Same (default)/incremental/decreasing variable payout
 - Choice for no partner pension (exchange partner pension)
 - One-off maximum 10% surrender of the accrued pension entitlements (if legally permitted) on the actual pension date

The implementation of the new pension scheme takes place within the current pension fund SNPS.

The table in Appendix 4 contains the most important details of the new pension scheme.⁶

4.3. Risk insurances

Death in active service

The Wtp also provides for a change in the risk coverage upon the death of a participant in active employment and thus before reaching the pension date. This expressly does not apply to participants who die after retirement. As is currently the case, the choice made at the time of retirement applies; this is not risk insurance.

⁶ Apart from the elements described in Appendix 4, there may be reason to adjust other elements that are currently part of the existing pension schemes (for example with regard to the net pension scheme) in response to aspects that arise during the implementation. The way in which these adjustments will be implemented in the pension regulations will be discussed in a timely manner between Shell Nederland and the pension fund and, if necessary, consulte with the COR.



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The starting point of the Wtp is that the surviving dependant's pension in the event of death in active employment is covered entirely on the basis of risk insurance and is independent of the number of (to be achieved) years of service at Shell. That's different from what is currently the case. At the moment, there is also risk insurance for death in active employment, but the amount of the partner's pension also depends on the number of (to be achieved) years of service at Shell.

The new risk insurance means that if there is death during active employment, the surviving dependant's pension is equal to a fixed percentage of the pensionable salary, regardless of the length of the employment. In principle, this coverage only applies as long as an active employee is employed by Shell Nederland and is an active participant in the SNPS pension scheme and also affects the orphan's pension.

As soon as the employee leaves the employment, he/she will in principle no longer be covered by this risk insurance. However, a drain period of three months does apply. The starting point is that the former employee then enters into employment elsewhere and will then fall under the coverage of the risk insurance with the new employer. This prevents "double coverage". If the former employee nevertheless wants to continue the risk insurance (after the three-month extension period), for example because there is no insight into a new job yet, then the employee may get coverage on a voluntary basis. The premium for this will be paid from the participant's own pension pot.

In addition, the temporary partner's pension (which is paid up to the moment the partner reaches the age of 68) will be covered via risk insurance on the basis of a fixed amount.

The main elements of this risk insurance are as follows:

- Ongoing partner pension: 35% of the pensionable salary up to the maximum pensionable salary (without deduction of franchise);
- Temporary partner's pension: maximum ANW shortfall permitted for tax purposes (2024: EUR 19,080).
- Orphan's pension: 8% of the pensionable salary up to the maximum (without deduction of the franchise), provided that there is also a partner's pension, up to the age of 25. In the case of a full orphan, double coverage applies (16%).

Disability

Disability includes both the disability pension up to the retirement date and the non-contributory continuation of the pension accrual for the old-age pension and the survivor's pension. In the new pension scheme, the disability pension is no longer part of the pension scheme. The disability pension is designed directly through the employer, in addition to the existing disease and reintegration policy. With regard to the non-contributory continuation of the pension accrual, this will, as is currently the case, take place within the pension scheme.

The coverage of the disability pension is adjusted and has been stepped. In addition, the disability pension will amount to 90% over the pensionable base up to the WIA income limit (2024: EUR 71,628) and 70% over the part above that. For current SNPS participants, this means an improvement in the current coverage.



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The new risk coverage will only apply to participants who become disabled after the transition to the new pension scheme and therefore does not apply to participants who are currently already entitled to an occupational disability pension. Participants with a pre-existing disability benefit, like anyone with accrued pension entitlements, are included in the transition process. This is part of the pension fund's implementation process.



5. The transition for the existing participants

5.1. Introduction

Despite the fact that SNPS is already a defined contribution scheme at this time, the transition for existing participants will also have to be considered. An important part of the legislation surrounding the transition to the new system is how the existing pension rights and entitlements are handled. For the current active participants in SNPS it will also have to be assessed whether the respectful effect will be used (see paragraph 5.2).

5.2. Active participants

At this moment, the current SNPS pension schemes have a progressive, age-dependent premium. The transition to a flat, age-independent premium has consequences for the active participants in SNPS. This conversion has consequences for the expected pension accrual of current (active) participants. In order to also ensure a balanced transition for these pension schemes, a transitional measure has been taken in the Wtp. This measure means that the current age-dependent premium scale may be continued for existing employees (the so-called respectful effect). The flat premium then only applies to new employees.

Shell Nederland and the COR consider equality to be an important objective for all employees of Shell Nederland who accrue pension in the future with (one of) the pension schemes of Shell Nederland. For this reason, Shell Nederland and the COR have agreed to also apply the new flat premium for all employees who are already active participants in the SNPS pension schemes at the time of the transition. This applies to both the gross and the net SNPS pension scheme. This means that no use will be made of the respectful effect.

Converting to a flat premium has consequences for current active participants. These consequences and the manner in which they are dealt with are discussed below and depend on the age of the participant. If there are adverse consequences for a participant as a result of the transition to a flat premium, then this disadvantage is compensated via the salary. An exception to this may be the participants who are already disabled. The premium exemption for the continuation of the accrual of old-age pension is insured with an insurer who will continue the reimbursement of the increasing premiums. It is therefore preferable to continue the pension scheme of the disabled on this point unchanged. This will be further coordinated with SNPS.

Appendix 5 contains the compensation percentages as determined for the gross and net scheme. The objective is that no cohort will suffer a median disadvantage from the transition to the flexible premium scheme with the flat premium. These percentages are determined based on the assumptions used and will not be adjusted to changing circumstances between the time of establishing this transition plan and the actual transition to the new system on January 1, 2026.

In addition to the compensation as a result of the transition to the flat premium, an additional supplement in the gross pension scheme is granted to current active participants for future balance. This supplement is also paid via the salary. This puts these participants in a comparable position with new participants in the new pension



scheme. This supplement makes the amendment of the scheme an improvement for all active participants.

5.3. Transition existing pension rights and entitlements: value transfer

From the WTP law system it can be inferred that if existing active participants in a defined contribution scheme switch to an age-independent premium, the Wtp regulations - including those with regard to value transfer - also apply. Because the respectful effect is not used and a flat premium will also apply to current active participants for future pension accrual, the starting point is that the existing pension rights and entitlements in SNPS must be formally converted ("value transfer") to the new flexible premium scheme.

However, because there is no reallocation of pension capitals belonging to the participant at SNPS both in the accrual and benefit phase in the Wtp transition, there is no need to apply a calculation system to do the transfer. The pension capitals are transferred one-on-one, as it were.⁷

Although formally there is a change in the current defined contribution scheme to a flexible contribution scheme, because the scheme within SNPS is already a defined contribution scheme, there is in principle no change for the already accrued entitlements and ongoing benefits. Because in principle there is no change for participants, value transfer will also not be disproportionately unfavourable for (groups of) participants or the employer.

An exception to this may be the existing risk insurance benefits to survivors (as a result of the death of the participant in active employment) or existing disability benefits. If this is legally possible, is administratively and insurance-technically feasible and does not lead to a deterioration of their pension for the participants, Shell Nederland and the COR prefer to convert the already existing surviving dependant's and disability benefits into variable benefits. This will be further coordinated with SNPS. Ultimately, it is up to SNPS to determine the best approach in this.

5.4. Investment options

Offering options with regard to investments contributes to the objectives that Shell Nederland and the COR have formulated. It is up to SNPS to determine the final investment policy and the options, partly based on a risk preference study and considerations with regard to feasibility. The objectives formulated by Shell Nederland and the COR are also relevant.

Shell Nederland and the COR believe it is important that options are offered for participants with regard to the investments, so that the various preferences of sub-groups with regard to the transition can be met. In addition to giving flexibility, offering options makes the pension more personal.

⁷ This is in line with the government's response during the parliamentary debate of the Wtp that the accrued capital with existing defined contribution schemes can be transferred one-on-one to the new premium agreement and does not require a conversion method for this (Second Chamber, 36 067, no. 9, p. 12).



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The request is made to offer at least three options for lifecycles for the active participants, former participants and former partners; an offensive, neutral and defensive investment policy (in accordance with a lifecycle idea as also known by the current SNPS pension schemes).

5.5. Transition risk

Section 5.3 states that the transition for SNPS only has a limited effect. The transition risk from this transition is therefore also significantly limited. Apart from implementing technical aspects, the main risk is that the current equity capital proves to be insufficient for the required balance sheet components that must be formed in the flexible scheme. If this should turn out to be the case, Shell Nederland and SNPS will enter into consultations, whereby the administration agreement between Shell Nederland B.V. and SNPS at that time will prevail.



6. Transition effects

6.1. General

The assessment of the transition takes place based on the formulated objectives and starting points described in Chapter 3. In doing so, Shell Nederland and the COR looked at various quantitative measures that are explained in more detail below:

- The pension expectations as a result of the transition to the changed pension scheme in different scenarios; and
- The gross benefit effects.

Shell Nederland and the COR consider the pension expectations in different scenarios in particular to be an important measure, but in addition the gross profit effects are also assessed. Both quantitative measures are also legally required components of the transition plan.

This section explains the measures, after which the most important effects are discussed in section 6.2. In Appendix 6, those effects are shown and explained in more detail.

Pension expectations

With the pension expectations, the results of continuing the pension agreement unchanged are compared with the pension expectation in the event of a change to the pension agreement. In accordance with the regulations, this is based on the current investment policy of SNPS. It is also assumed that the compensation and/or the extra supplement for active participants will be used entirely as a pension premium. In reality, they are allocated as salary, whereby the employee can choose to deposit the compensation and/or the extra supplement in whole or in part as employee premium in the pension scheme, taking into account the fiscal maximum at the net premium of 30% of the pensionable base.

The future pension is shown in this pension expectation based on three scenarios: a pessimistic scenario, an expected scenario and an optimistic scenario. The amount of the pension on the retirement date is considered. Because the (variable) benefit phase is in principle designed identically to what is currently the case, developments after the retirement date have no effect on the comparison between the current and the new scheme.

Gross benefit effects

For the gross benefit effects, the gross benefit of the current SNPS scheme is compared to the gross benefit in the new pension scheme per year of birth cohort.

In the context of the Wtp, gross benefit is understood to mean the present value of the future premium deposit. In doing so, only future premiums are considered, under the assumption that the capitals remain unchanged at the transit moment. Although the compensation and the extra supplement in the gross pension scheme are granted as an increase in the salary (expressed as a percentage of the pensionable earnings)



Transition plan SNPS

and therefore cannot be considered entirely as a pension premium, and even partially exceed the fiscal maximum of the savings premium (of 30%), they have been considered as such due to the assessment of the balance.

Like pension expectations, the transition effects are calculated in terms of gross benefit per age cohort and in whole birth years. Because gross benefit relates to future premiums, these effects only occur for active participants.

With the transition, equal or improved pension expectations and gross profit are realised for all cohorts.

6.2. Explanation of transition effects

The results show that the expected pension outcomes for younger employees (up to the age of 30 years) without compensation and/or the additional supplement already provide an improvement compared to the current scheme.

For employees who are 40 years or above, this is no longer the case: the flat premium for employees from this age will result in a deterioration compared to the current premium scale. Including the compensation, the expected pension outcomes for all ages are at least the same: the deterioration due to the transition to a flat premium is expected to be compensated. With the additional supplement, the pension of the current participants is further improved.

For a detailed elaboration of the transition effects, please refer to Appendix 6 and 7.



7. Assessment of a balanced decision

Shell Nederland and the COR assessed the transition described in this transition plan for balance based on the objectives they formulated.

This assessment looked at the total transition for all participants, whereby the formulated objectives were tested where possible on the quantitative measures (pension expectation and gross benefit effects).

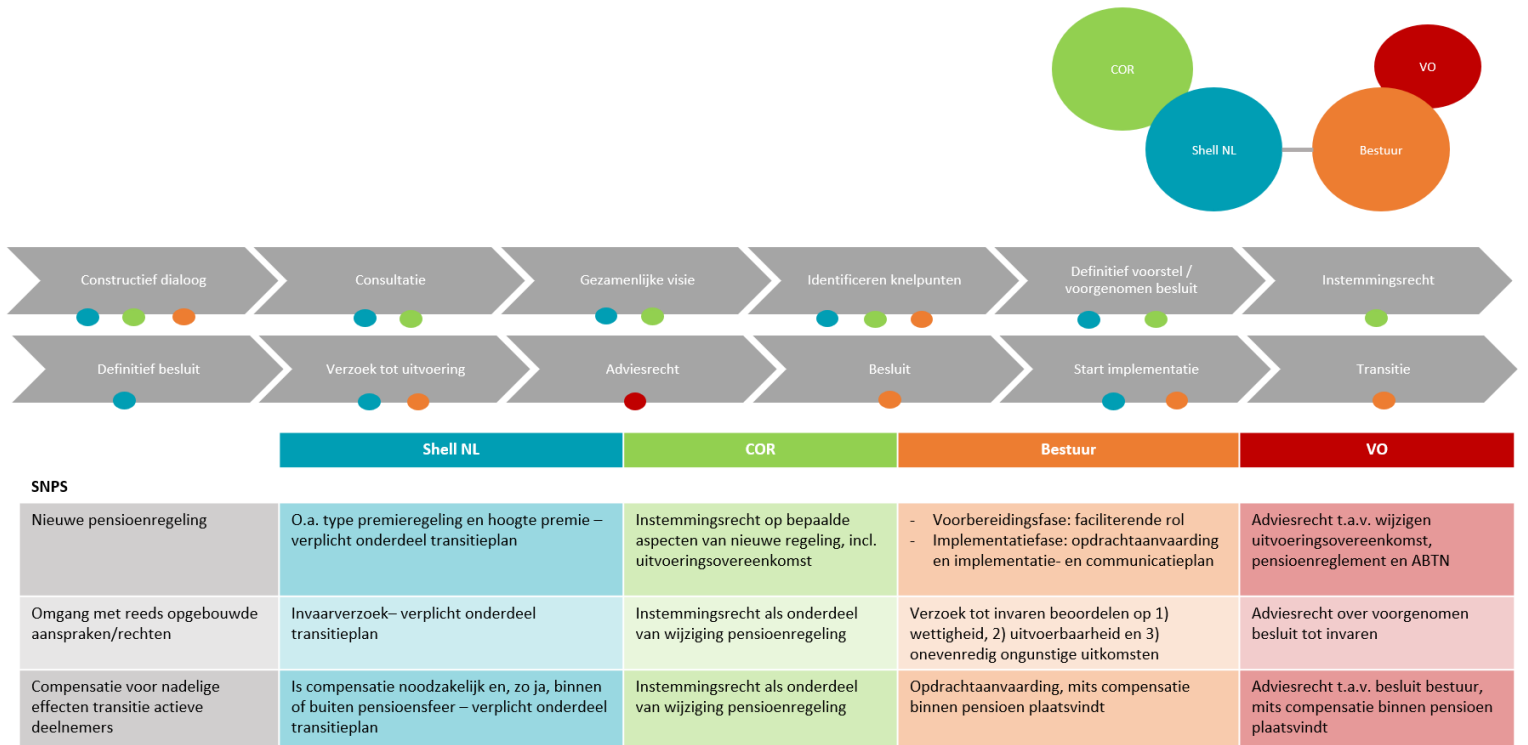
The expected pension outcomes have been analysed, as well as the downward risks in the case of worse or very poor economic conditions and the upward potential in the case of good or very good economic conditions.

Due to the specific objectives for the transition and the measures taken to realise this, including the realisation of an improved pension scheme (both the gross and net pension scheme) and the inclusion of compensation for the current active participants due to the transition to a flat premium and an additional addition for these participants in the gross scheme to bring them a comparable position as new participants (extra balance supplement in the gross pension scheme), an overall balanced transition is strived for that leads to a better pension for all participants.

In the opinion of Shell Nederland and the COR, this transition plan proposes a balanced transition.



Appendix 1 – Roles and responsibilities





Appendix 2 - Request for consent, the response of the COR and the final decision of the director

-  Instemmingsverzoek WTP.pdf
-  instemming COR Wtp.pdf
-  Addendum op instemmingsverzoek
-  Instemming COR inzake Addendum.pdf
-  Besluit Shell Nederland 1 juli 2024



Appendix 3 - Overview of important consultations with the COR and the SNPS board, during the period 2023 and 2024

Discussions with the COR

2022	Monthly consultation with pension committee
17/1/2023	Consult SN and Pension Committee / WTP
7/2/2023	Consult SN and Pension Committee / WTP
7/3/2023	Consult SN and Pension Committee / WTP
30/3/2023	All stakeholder Kick off WTP
18/4/2023	Consult SN and Pension Committee / WTP
16/5/2023	Consult SN and Pension Committee / WTP
31/5/2023	Consult SN and Pension Committee / WTP
8/6/2023	Consult SN and Pension Committee / WTP
29/6/2023	Consult SN and Pension Committee / WTP
13/7/2023	Consult SN and Pension Committee / WTP
26/7/2023	Consult SN and Pension Committee / WTP
4-5/9/2023	Consult SN and Pension Committee / WTP – two-day
30/10/2023	Consult SN and Pension Committee / WTP
2/11/2023	Consult SN and Pension Committee / WTP
7/11/2023	Consult SN and Pension Committee / WTP
14/11/2023	Consult SN and Pension Committee / WTP
24/11/2023	Consult SN and Pension Committee / WTP
30/11/2023	Consult SN and Pension Committee / WTP
7/12/2023	Consult SN and Pension Committee / WTP
11/12/2023	Consult SN and Pension Committee / WTP
13/12/2023	Consult SN and Pension Committee / WTP
15/12/2023	Consult SN and Pension Committee / WTP

Discussions with the board of SNPS

30/3/2023	All stakeholders Kick off WTP
22/6/2023	Consultation SNPS
28/2/2024	Consultation SNPS

**Appendix 4** - Characteristics of new pension scheme

GENERAL	
Name	Gross pension scheme Shell Nederland
Type of scheme	Flexible contribution scheme for future pension entitlements to be accrued.
Pension Administrator	SNPS for SNPS participants and new hires.
Effective Date	It is assumed that the participants of the current SNPS fund will switch to the new flexible premium scheme as of 1 January 2026.
DEFINITIONS	
Pensionable salary	The pension base salary plus any pensionable allowances.
Franchise	10/7th of the gross old-age pension, including the holiday allowance, to which a married person is entitled independently pursuant to the AOW pension (in accordance with the current definition of SNPS).
Maximum pensionable salary	The same maximum as currently applies to participants who accrue pension as of the relevant transition date: EUR 121,951 (level 2024)* * This amount is indexed annually to the same extent as the amount adjusted by ministerial regulation in accordance with the method described in article 18ga of the LB Act (Wages and Salaries Tax Act)
Pension Bases	Pensionable salary (up to the maximum pensionable salary) minus the franchise
Target retirement age	68 (pension age ultimately to be chosen by the participant; see options below)
PREMIUM	
Fixed premium level and choice of employee	<ul style="list-style-type: none"> ▪ Employer premium: 21% of the Pension Base. This premium is the savings premium, i.e. the premium excluding risk premiums and cost components, which are paid separately by Shell Nederland ▪ Employee premium: standard 7% of the Pension Base (consisting of a mandatory part of 2% and a voluntary part of 5%), with the possibility to adjust this premium to a minimum of 2% and a maximum of 9% (current maximum fiscal premium room)



CHOICE OPTIONS	
Investment choices	Premium of participant in the accrual phase is invested in one of the lifecycles (neutral, offensive or defensive) to be further completed by the Board of the pension fund
Type of pension	The participant is given the provisional choice to pre-sort a fixed or variable pension up to 10 years before the retirement date. Final choice by participant on retirement date.
Choices by retirement date	<ul style="list-style-type: none"> ▪ Fixed/Variable pension (default) ▪ Early start date (up to 10 years before state pension) ▪ Delay Effective Date (up to 70) ▪ Part-time pension ▪ Purchase of state pension bridge pension ▪ Same (default)/incremental/decreasing variable payout ▪ Choice for no partner pension (exchange partner pension) ▪ One-off maximum 10% surrender of accrued pension entitlements (provided legally permitted)
RISK INSURANCE	
Ongoing partner pension* *In the event of death after retirement, the choice made at the time of retirement applies. This is not risk insurance.	<ul style="list-style-type: none"> ▪ For current SNPS participants, a coverage of 35% of the pensionable salary applies up to the maximum (without deduction of the franchise) ▪ 'Indeterminate partner' principle
Temporary partner's pension in the event of death in active employment	<ul style="list-style-type: none"> ▪ Maximum ANW shortfall permitted for tax purposes (2024: EUR 19,080). This amount is a temporary supplement to the continuous partner's pension ▪ 'Indeterminate partner' principle ▪ End age: up to 68 years of age of partner
Orphan's pension	<ul style="list-style-type: none"> ▪ 8% of the pensionable salary up to the maximum (without deduction of franchise) ▪ Only coverage during active service (in line with current SNPS scheme) ▪ End age: 25 years ▪ Double coverage with full orphan
(Voluntary) continuation partner pension after end of participation	<ul style="list-style-type: none"> ▪ Automatic continuation: three months ▪ Opt-in option for subsequent coverage until retirement with an annual opt-out option for participant. ▪ Funding during voluntary continuation by pension capital participant.



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Disability pension	<ul style="list-style-type: none"> Occupational disability pension is taken outside the pension scheme and offered from the employer through an insurer yet to be determined There is a coverage of 90% of the pensionable salary up to a maximum equal to the WIA limit (EUR 71,628 per 1 January 2024) and a coverage of 70% for the pensionable salary above this limit. The costs will be borne by the employer.
Waiver of premium in the event of disability	<ul style="list-style-type: none"> Part of the pension scheme. Costs are borne by the employer.
OTHER	
Distribution period of investment results during benefit phase	Five years (unless otherwise proposed by the Board)

GENERAL	
Name	Net pension scheme Shell Nederland
Type of scheme	Flexible premium scheme
Pension Administrator	Shell Nederland Pensioenfonds Stichting (SNPS)
Effective Date	1 January 2026
DEFINITIONS	
Pensionable salary	The pension base salary, plus any pensionable allowances
Pension Base	The pensionable salary minus the Fiscal Limit (as defined below)
Tax Boundary	<p>The amount above which net pension entitlements can be acquired:</p> <ul style="list-style-type: none"> For SNPS participants, this limit is EUR 121,951 (level 2024)* For SSPF participants, this limit is EUR 123,886 (level 2024)* <p>* This amount is indexed annually to the same extent as the revised amount by ministerial regulation in accordance with the method described in article 18ga of the LB Act (Wages and Salaries tax Act).</p>
Target retirement age	68 (pension age ultimately to be chosen by the participant)
PREMIUM	
Employer contributions	<ul style="list-style-type: none"> Contribution of 21%* on the Pension Base that is paid into the gross salary



	* This contribution is a gross contribution and will be translated (as now) into a net pension premium in the pension regulations (together with a personal contribution of 2% of the employee on the Pension Base).
Voluntary Contributions	In principle, it is possible to save from the net salary up to the maximum fiscal premium percentage (15% on a net basis, level 2023).
CHOICE OPTIONS	
Voluntary participation	Participation in the net pension scheme is voluntary, with the default being that eligible employees participate. There is an opt-out option if a participant does not wish to participate.
Investment choices	<ul style="list-style-type: none"> The participant's premium is invested in one of the lifecycles (neutral, offensive or defensive) to be further completed by the fund's board.
Type of pension	The participant is given the provisional choice to pre-sort a fixed or variable pension up to 10 years before the retirement date. Final choice by participant on retirement date.
Choices by retirement date	<ul style="list-style-type: none"> Fixed / Variable pension (default) Early start date (up to 10 years before state pension) Delay Effective Date (up to 70) Part-time pension Purchase of State pension bridge pension Same (default)/incremental/decreasing variable payout Choice for no partner pension (exchange partner pension) One-off maximum 10% surrender of accrued pension entitlements (if legally permitted)
RISK INSURANCE	
<p>Ongoing partner pension*</p> <p>*In the event of death after retirement, the choice made at the time of retirement applies. This is not risk insurance.</p>	<ul style="list-style-type: none"> Current and new participants are covered on a net basis of 17.5% 'Certain partner' principle Costs are deducted from the premium that is invested.
(Voluntary) continuation partner pension after end of participation	Automatic continuation: three months. Opt-in option for subsequent coverage until retirement with an annual opt-out option for participant. Funding during voluntary continuation by pension capital participant.
Orphan's pension	Not applicable
Disability Retirement	Not applicable



Transition plan SNPS

Waiver of premium in the event of disability	<ul style="list-style-type: none">▪ Part of the pension scheme.▪ Costs are deducted from the premium that is invested.
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OTHER

Distribution period of investment results during benefit phase	Five years (unless otherwise proposed by the Board)
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**Appendix 5 - Compensation and additional supplement**

Compensatiepercentages (over de pensioengrondslag)						
geldig bij transitiedatum 1-1-2026						
Deelnemer geboortejaar	Bruto regeling			Netto regeling		
	Compensatie	Extra aanvulling	Totaal	Compensatie netto	Compensatie gebruteerd	
1996	0,06%	0,88%	0,94%	0,00%	0,00%	
1995	0,33%	0,90%	1,23%	0,00%	0,00%	
1994	0,61%	0,93%	1,53%	0,00%	0,00%	
1993	0,90%	0,95%	1,85%	0,00%	0,00%	
1992	1,16%	0,98%	2,14%	0,00%	0,00%	
1991	1,43%	1,00%	2,43%	0,00%	0,00%	
1990	1,72%	1,02%	2,74%	0,00%	0,00%	
1989	2,02%	1,04%	3,06%	0,00%	0,00%	
1988	2,35%	1,06%	3,41%	0,00%	0,00%	
1987	2,62%	1,08%	3,70%	0,00%	0,00%	
1986	2,92%	1,10%	4,02%	0,00%	0,00%	
1985	3,23%	1,12%	4,35%	0,12%	0,25%	
1984	3,57%	1,14%	4,71%	0,26%	0,52%	
1983	3,94%	1,16%	5,10%	0,41%	0,81%	
1982	4,23%	1,18%	5,41%	0,57%	1,12%	
1981	4,55%	1,20%	5,75%	0,74%	1,46%	
1980	4,90%	1,26%	6,16%	0,87%	1,73%	
1979	5,28%	1,32%	6,60%	1,02%	2,02%	
1978	5,70%	1,38%	7,08%	1,18%	2,34%	
1977	6,01%	1,44%	7,45%	1,36%	2,69%	
1976	6,36%	1,50%	7,86%	1,56%	3,08%	
1975	6,74%	1,60%	8,34%	1,69%	3,35%	
1974	7,18%	1,70%	8,88%	1,84%	3,65%	
1973	7,67%	1,80%	9,47%	2,01%	3,98%	
1972	7,99%	1,90%	9,89%	2,21%	4,37%	
1971	8,35%	2,00%	10,35%	2,43%	4,81%	
1970	8,78%	2,20%	10,98%	2,56%	5,06%	
1969	9,29%	2,40%	11,69%	2,71%	5,36%	
1968	9,90%	2,60%	12,50%	2,89%	5,72%	
1967	10,19%	2,80%	12,99%	3,11%	6,16%	
1966	10,55%	3,00%	13,55%	3,39%	6,71%	
1965	11,01%	3,90%	14,91%	3,48%	6,88%	
1964	11,63%	4,80%	16,43%	3,59%	7,11%	
1963	12,50%	5,70%	18,20%	3,75%	7,43%	
1962	12,50%	6,60%	19,10%	3,99%	7,90%	
1961	12,50%	7,50%	20,00%	4,39%	8,69%	
1960	12,50%	13,53%	26,03%	4,39%	8,69%	
1959	12,50%	22,00%	34,50%	4,39%	8,69%	



Appendix 6 - Detailed descriptions

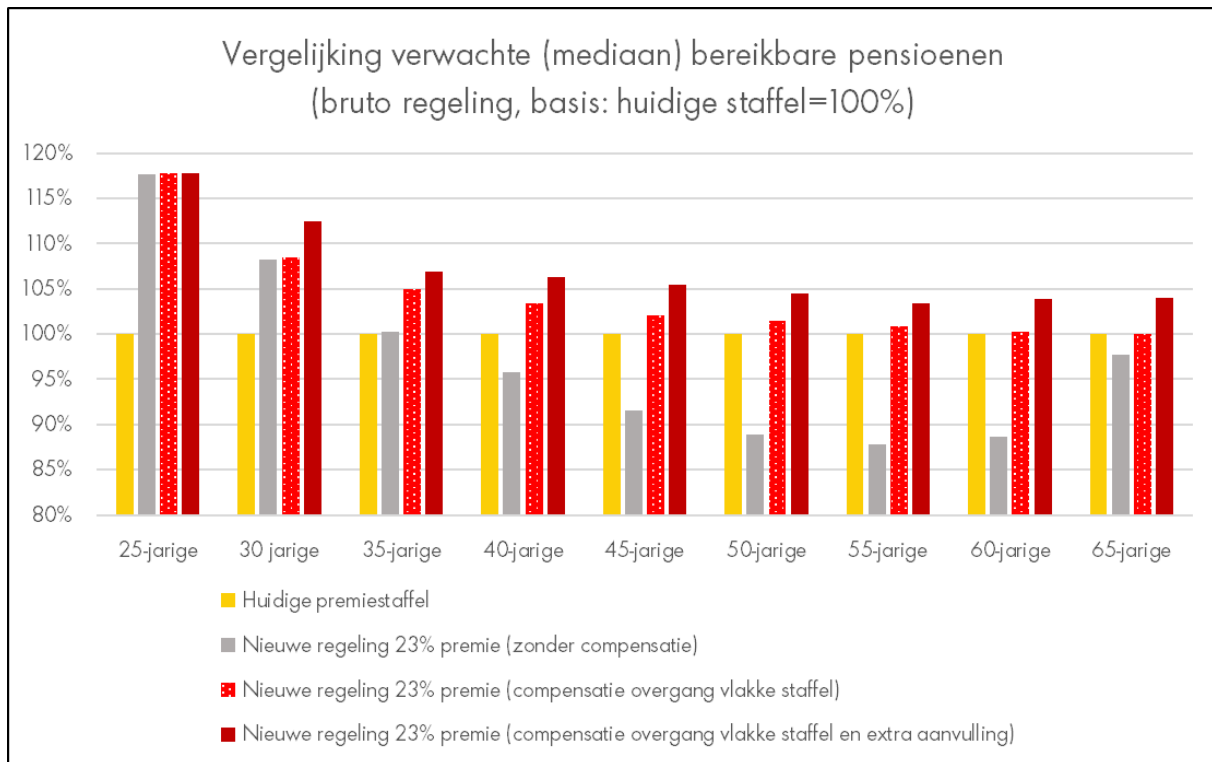
Assumptions used

The assumptions used in the calculations are shown in a comprehensive document that is included as Appendix 8 to this transition plan.

The calculations use the prescribed scenario sets as published by DNB on a quarterly basis, in particular those as of 30 September 2023.

The investment policy assumed for the current scheme is the current investment policy of SNPS. The new scheme is also based on that investment policy.

Effects in terms of expected pension outcomes

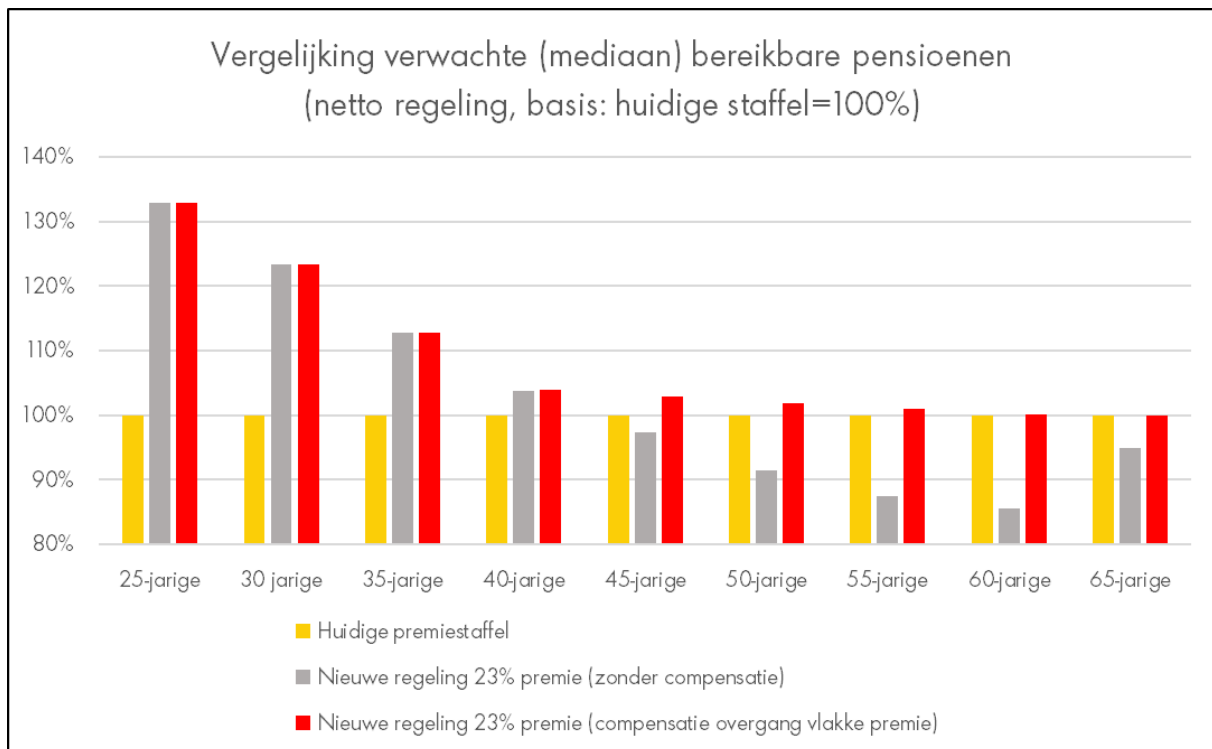


This graph shows for the gross scheme per age cohort the expected pension outcomes in the current scheme with age-dependent premium (the yellow bar), the new scheme with flat premium of 23%⁸ (the grey bar), the new scheme with the regular compensation (the red bar), and the new scheme with in addition to the regular also the extra supplement (the brown bar).

The results are always expressed as a percentage of the results in the current scheme. A percentage of 118%, such as for the grey, red and purple bar at an age of 25, therefore represents an expected progress of the pension outcome by 18% compared to the current scheme based on employment until the retirement age.

In these results, it is assumed that the compensation and the additional supplement are considered as pension premium. In reality, they are granted as salary, whereby the employee can choose to contribute this in whole or in part as employee premium in the pension scheme, taking into account the fiscal maximum at the premium of 30% of the pensionable base. Because of this fiscal maximum, for ages over approximately 48 years, the entire compensation cannot actually be invested in the pension scheme (i.e. when the compensation and additional supplement expressed as a percentage of the pensionable earnings exceeds 7%).

⁸ For comparison purposes, this calculation assumes the participant premium of 2% as applicable in the SNPS scheme applicable until 1 January 2026.



This graph shows similar results as presented above for the gross scheme for the net scheme. The regular compensation is such that for all ages the expected pension outcomes are at least equal to those in the current scheme. There is no additional supplement in the net scheme. The savings premium made available in the net scheme is equal to the savings premium in the gross scheme, namely 23%. In the net scheme, the participant then first pays tax on this premium. Net can then be saved 11.7%. In that case, the participant no longer owes any tax on the pension benefit.

The tables below show the pension results for various people in euro amounts. This is not only done (as in the previous graphs) for the median, but also for the 5th and 95th percentiles. The median outcome is the middle outcome of all calculated scenarios: half of the outcomes are worse; the other half is better than the median outcome. The 5th percentile is the outcome for which 5% of all calculated scenarios are lower and 95% higher than this scenario.

The results are shown consecutively for the gross and for the net scheme.



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Maatmens berekeningen bruto SNPS regeling: bereikbare pensioenen op de pensioendatum (UPO-bedragen)							
	Huidig	23% premie	Wijziging tov huidige staffel	23% premie plus compensatie	Wijziging tov huidige staffel	23% premie plus compensatie plus extra aanvulling	Wijziging tov huidige staffel
25-jarige							
Slecht weer (5% VaR)	€ 16.422	€ 16.851	2,6%	€ 16.851	2,6%	€ 16.851	2,6%
Mediaan (50% VaR)	€ 31.799	€ 37.429	17,7%	€ 37.436	17,7%	€ 37.437	17,7%
Goed weer (95% VaR)	€ 68.121	€ 90.924	33,5%	€ 90.917	33,5%	€ 90.913	33,5%
30-jarige							
Slecht weer (5% VaR)	€ 19.817	€ 19.334	-2,4%	€ 19.389	-2,4%	€ 20.131	1,6%
Mediaan (50% VaR)	€ 39.562	€ 42.805	8,2%	€ 42.915	8,5%	€ 44.463	12,4%
Goed weer (95% VaR)	€ 84.591	€ 99.745	17,9%	€ 100.006	18,2%	€ 103.412	22,2%
35-jarige							
Slecht weer (5% VaR)	€ 27.620	€ 25.412	-8,0%	€ 26.803	-3,0%	€ 27.322	-1,1%
Mediaan (50% VaR)	€ 54.121	€ 54.278	0,3%	€ 56.821	5,0%	€ 57.842	6,9%
Goed weer (95% VaR)	€ 113.623	€ 121.491	6,9%	€ 126.407	11,3%	€ 128.480	13,1%
40-jarige							
Slecht weer (5% VaR)	€ 29.639	€ 26.394	-10,9%	€ 28.756	-3,0%	€ 29.702	0,2%
Mediaan (50% VaR)	€ 57.085	€ 54.644	-4,3%	€ 59.020	3,4%	€ 60.679	6,3%
Goed weer (95% VaR)	€ 114.279	€ 114.190	-0,1%	€ 122.195	6,9%	€ 125.045	9,4%
45-jarige							
Slecht weer (5% VaR)	€ 28.003	€ 24.343	-13,1%	€ 27.501	-13,1%	€ 28.630	2,2%
Mediaan (50% VaR)	€ 52.186	€ 47.753	-8,5%	€ 53.258	2,1%	€ 55.002	5,4%
Goed weer (95% VaR)	€ 94.275	€ 90.319	-4,2%	€ 99.041	5,1%	€ 101.708	7,9%
50-jarige							
Slecht weer (5% VaR)	€ 27.188	€ 23.157	-14,8%	€ 26.902	-1,0%	€ 27.891	2,6%
Mediaan (50% VaR)	€ 46.515	€ 41.370	-11,1%	€ 47.173	1,4%	€ 48.618	4,5%
Goed weer (95% VaR)	€ 77.692	€ 71.179	-8,4%	€ 79.623	2,5%	€ 81.948	5,5%
55-jarige							
Slecht weer (5% VaR)	€ 26.327	€ 22.390	-15,0%	€ 26.193	-0,5%	€ 26.990	2,5%
Mediaan (50% VaR)	€ 41.451	€ 36.375	-12,2%	€ 41.804	0,9%	€ 42.858	3,4%
Goed weer (95% VaR)	€ 61.316	€ 54.993	-10,3%	€ 62.138	1,3%	€ 63.553	3,6%
60-jarige							
Slecht weer (5% VaR)	€ 25.731	€ 22.285	-13,4%	€ 25.658	-0,3%	€ 26.793	4,1%
Mediaan (50% VaR)	€ 35.756	€ 31.708	-11,3%	€ 35.841	0,2%	€ 37.157	3,9%
Goed weer (95% VaR)	€ 47.451	€ 42.692	-10,0%	€ 47.597	0,3%	€ 49.205	3,7%
65-jarige							
Slecht weer (5% VaR)	€ 21.881	€ 21.376	-2,3%	€ 21.881	0,0%	€ 22.780	4,1%
Mediaan (50% VaR)	€ 24.225	€ 23.678	-2,3%	€ 24.225	0,0%	€ 25.199	4,0%
Goed weer (95% VaR)	€ 25.795	€ 25.215	-2,2%	€ 25.795	0,0%	€ 26.849	4,1%

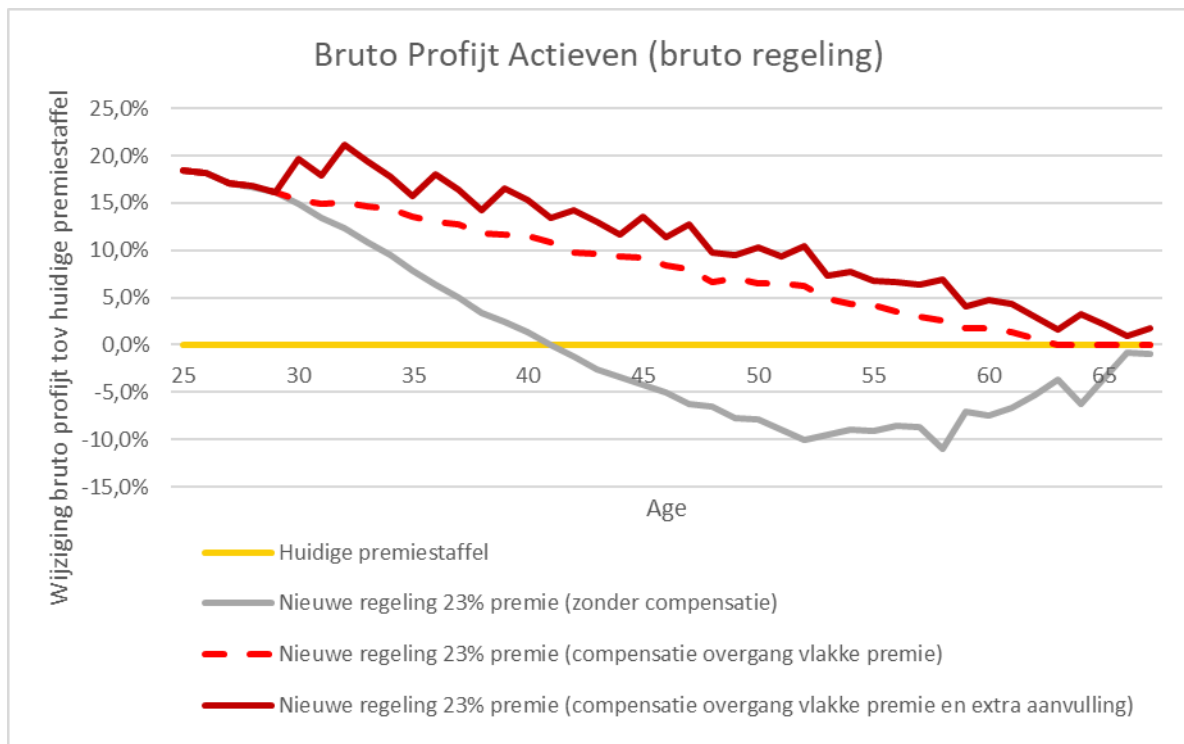


Transition plan SNPS

Maatmens berekeningen netto SNPS regeling: bereikbare netto pensioenen op de pensioendatum (UPO-bedragen)					
	Huidig	23% bruto premie (11,7% netto)	Wijziging tov huidige staffel	23% premie plus compensatie	Wijziging tov huidige staffel
25-jarige					
Slecht weer (5% VaR)	€ 19.938	€ 23.030	15,5%	€ 23.028	15,5%
Mediaan (50% VaR)	€ 38.589	€ 51.272	32,9%	€ 51.284	32,9%
Goed weer (95% VaR)	€ 82.642	€ 124.401	50,5%	€ 124.386	50,5%
30-jarige					
Slecht weer (5% VaR)	€ 18.057	€ 19.892	10,2%	€ 19.890	10,2%
Mediaan (50% VaR)	€ 34.094	€ 42.076	23,4%	€ 42.078	23,4%
Goed weer (95% VaR)	€ 68.299	€ 94.070	37,7%	€ 94.080	37,7%
35-jarige					
Slecht weer (5% VaR)	€ 16.984	€ 17.564	3,4%	€ 17.556	3,4%
Mediaan (50% VaR)	€ 30.230	€ 34.096	12,8%	€ 34.106	12,8%
Goed weer (95% VaR)	€ 55.375	€ 68.343	23,4%	€ 68.367	23,5%
40-jarige					
Slecht weer (5% VaR)	€ 15.053	€ 14.545	-3,4%	€ 14.541	-3,4%
Mediaan (50% VaR)	€ 26.256	€ 27.265	3,8%	€ 27.267	3,8%
Goed weer (95% VaR)	€ 45.040	€ 49.743	10,4%	€ 49.739	10,4%
45-jarige					
Slecht weer (5% VaR)	€ 13.471	€ 12.438	-7,7%	€ 13.163	-7,7%
Mediaan (50% VaR)	€ 22.123	€ 21.523	-2,7%	€ 22.780	3,0%
Goed weer (95% VaR)	€ 35.069	€ 35.795	2,1%	€ 37.827	7,9%
50-jarige					
Slecht weer (5% VaR)	€ 12.097	€ 10.772	-11,0%	€ 12.042	-0,5%
Mediaan (50% VaR)	€ 18.999	€ 17.380	-8,5%	€ 19.353	1,9%
Goed weer (95% VaR)	€ 28.523	€ 26.621	-6,7%	€ 29.506	3,4%
55-jarige					
Slecht weer (5% VaR)	€ 10.987	€ 9.413	-14,3%	€ 10.976	-0,1%
Mediaan (50% VaR)	€ 15.879	€ 13.886	-12,6%	€ 16.033	1,0%
Goed weer (95% VaR)	€ 21.896	€ 19.429	-11,3%	€ 22.326	2,0%
60-jarige					
Slecht weer (5% VaR)	€ 9.564	€ 8.077	-15,5%	€ 9.543	-0,2%
Mediaan (50% VaR)	€ 12.596	€ 10.785	-14,4%	€ 12.620	0,2%
Goed weer (95% VaR)	€ 16.163	€ 13.969	-13,6%	€ 16.227	0,4%
65-jarige					
Slecht weer (5% VaR)	€ 4.709	€ 4.463	-5,2%	€ 4.708	0,0%
Mediaan (50% VaR)	€ 5.197	€ 4.932	-5,1%	€ 5.197	0,0%
Goed weer (95% VaR)	€ 5.550	€ 5.261	-5,2%	€ 5.549	0,0%

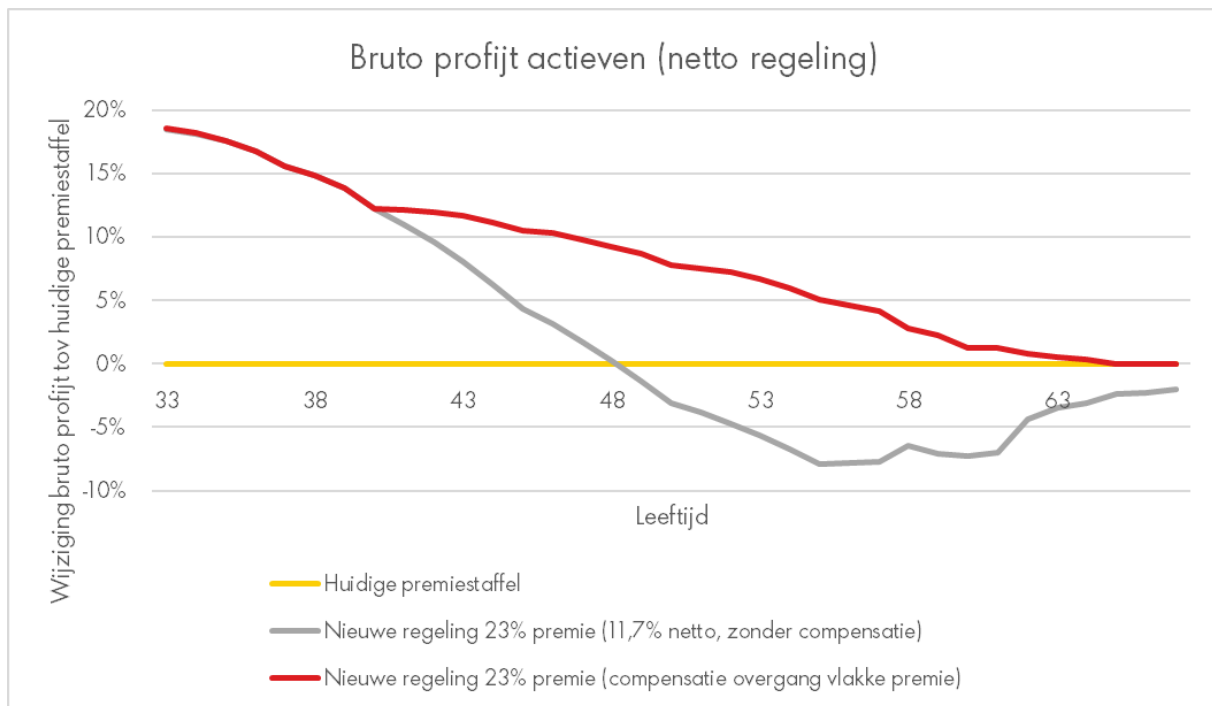
Effects in terms of gross benefit

Like the scenario results described in the previous paragraph, the gross benefit effects have also been determined based on statutory scenario sets that are published by DNB on a quarterly basis.



This graph shows that the gross benefit for the gross scheme when transitioning from the current scale to the new flat premium of 23% (the yellow line) for ages up to approximately 40 years is higher, but for ages over approximately 40 years is lower.

Due to the regular compensation (in the form of salary increase, in the gross benefit calculations treated as pension premium – although the fiscal space for all ages is not sufficient to actually use the entire compensation as pension premium), the change in the gross benefit for all ages is at least equal to zero: the red broken line is at or above 0% for all ages. The solid red line indicates that the gross benefit for all ages will be positive if the additional supplement is also taken into account. The image is therefore consistent with the image that arises from the expected pension outcomes.



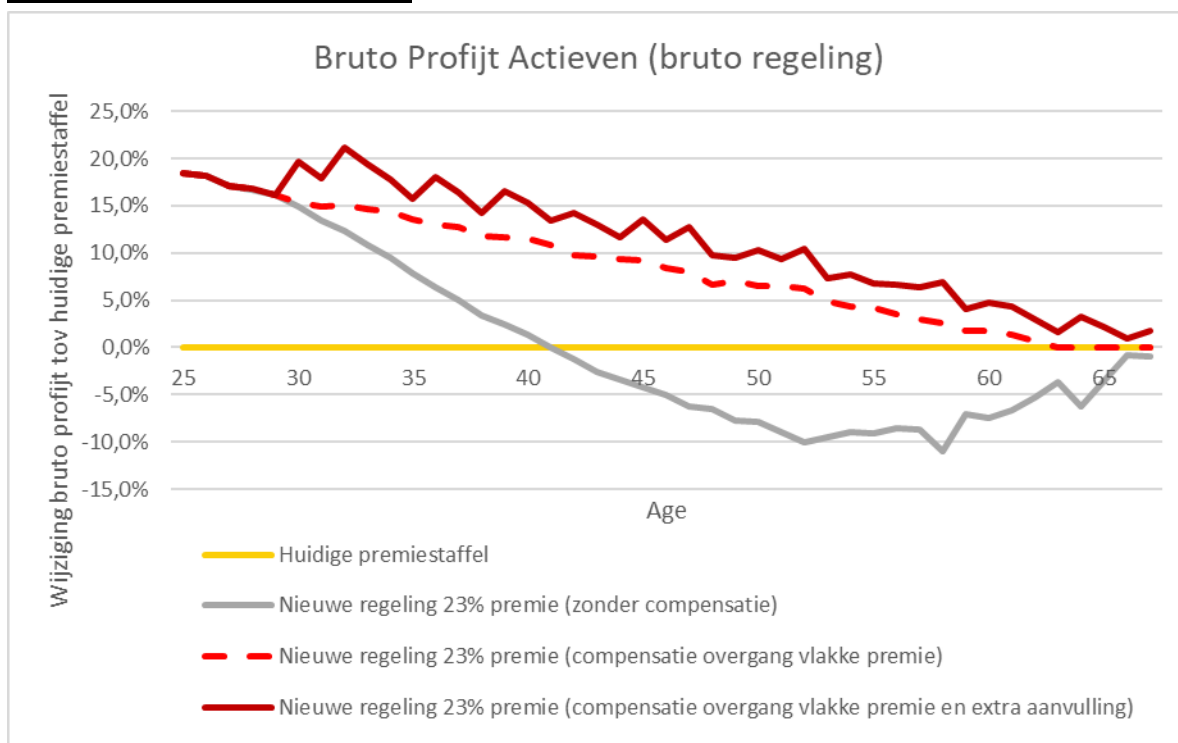
For the net scheme, the grey line, which reflects the change in gross benefit at the flat premium compared to the current premium scale, shows that the transition to the flat premium for ages of 48 is negative. The fact that the compensation is sufficient to compensate for these negative effects is highlighted by the red line, which for all ages is at least 0% and for the vast majority of ages above that.



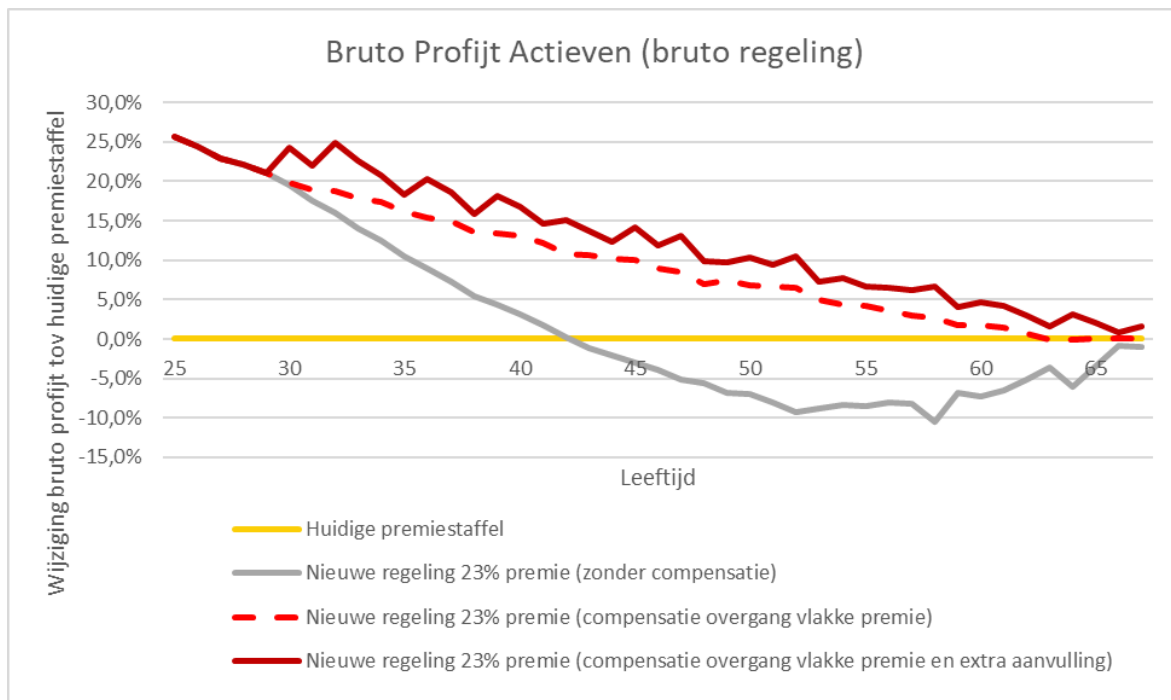
Appendix 7 – Sensitivity analysis

This appendix shows the gross benefit effects in the case of an interest rate that is 2% points higher at the moment of transition than in the basic variant and 2% points lower than in the basic variant. These are compared with the gross benefit effects of the basic variant.

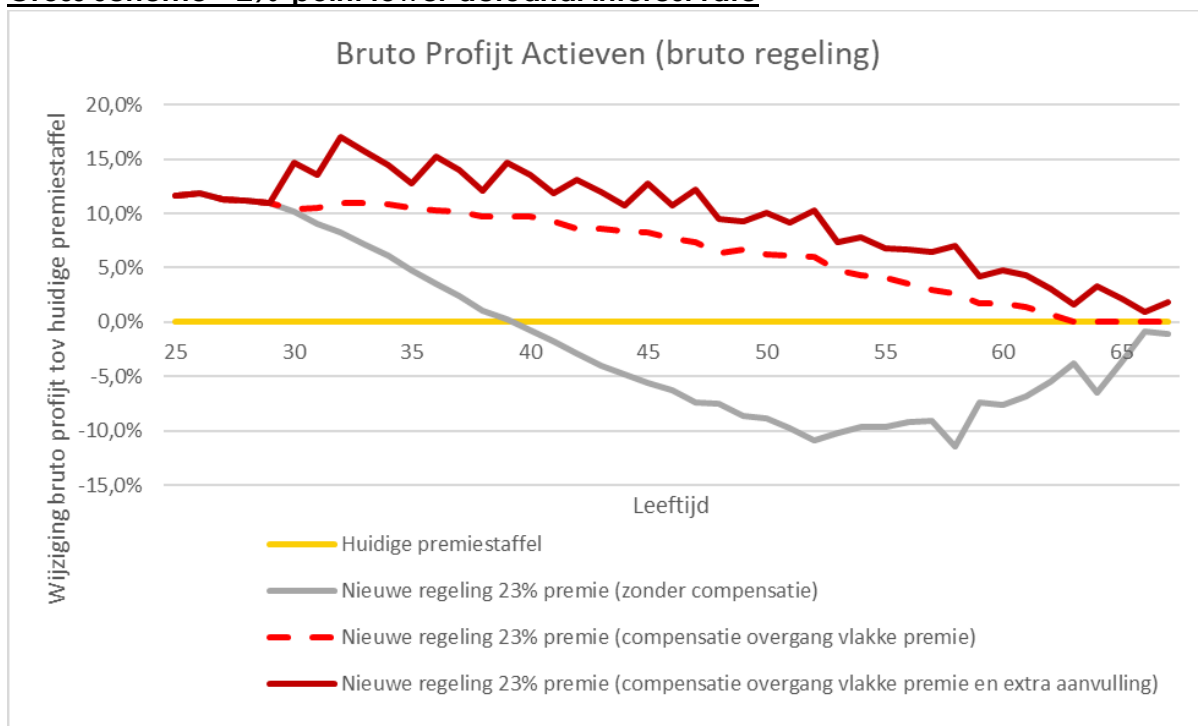
Gross Control - Basic Variant



Gross scheme - 2%-point higher actuarial interest rate



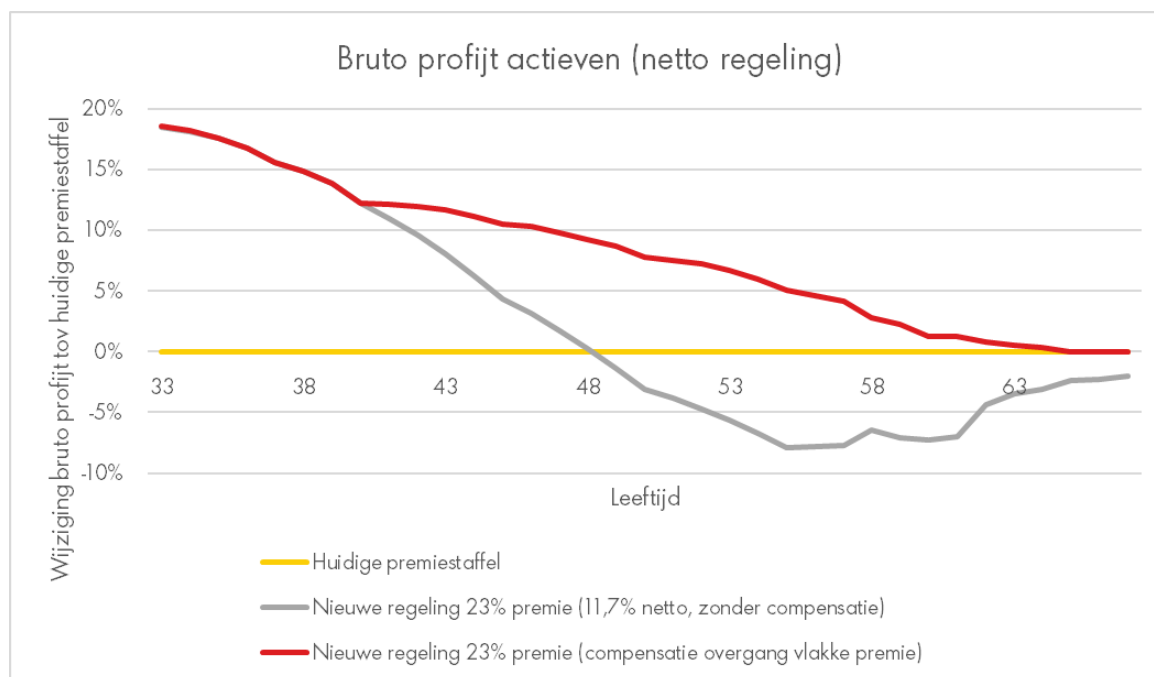
Gross scheme - 2%-point lower actuarial interest rate



The previous graphs show that the gross benefit in the gross pension scheme is not very sensitive to the amount of the interest. Even if the interest rate is 2% points higher or lower, the gross benefit effects are in the same order of magnitude. The proposed change to the gross pension scheme therefore also meets the objectives in a different interest environment.

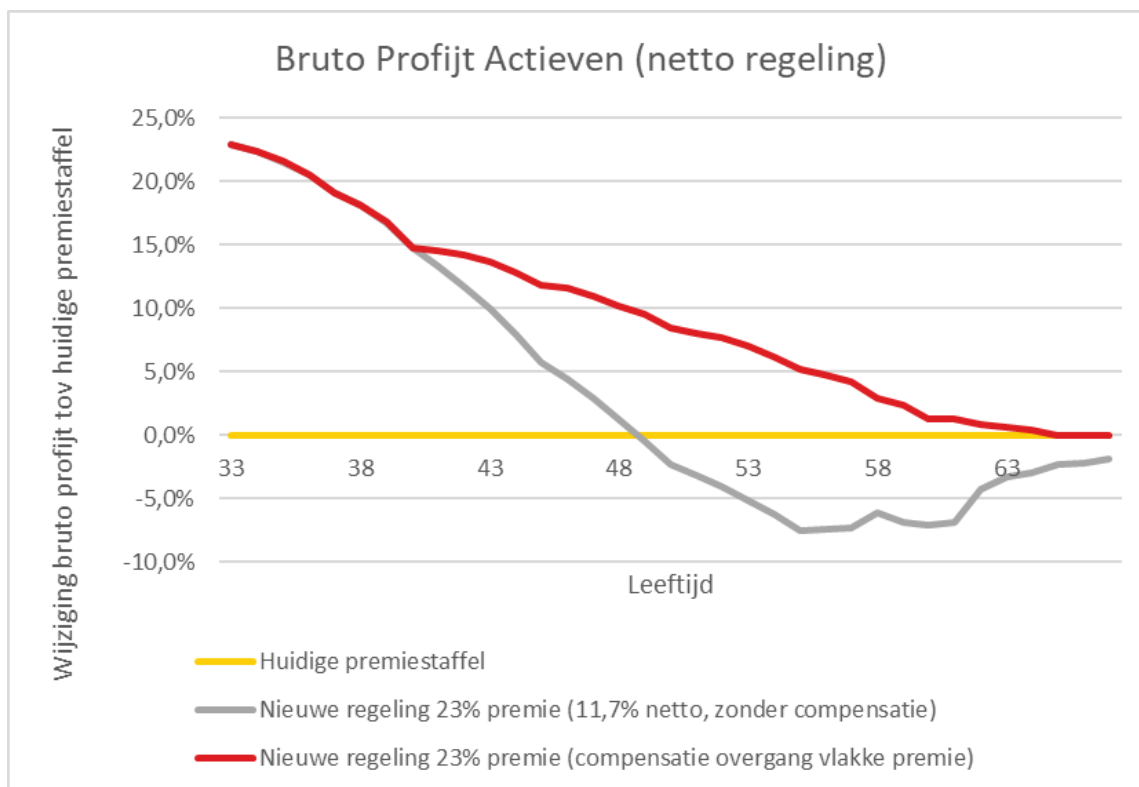


Net scheme - basic variant

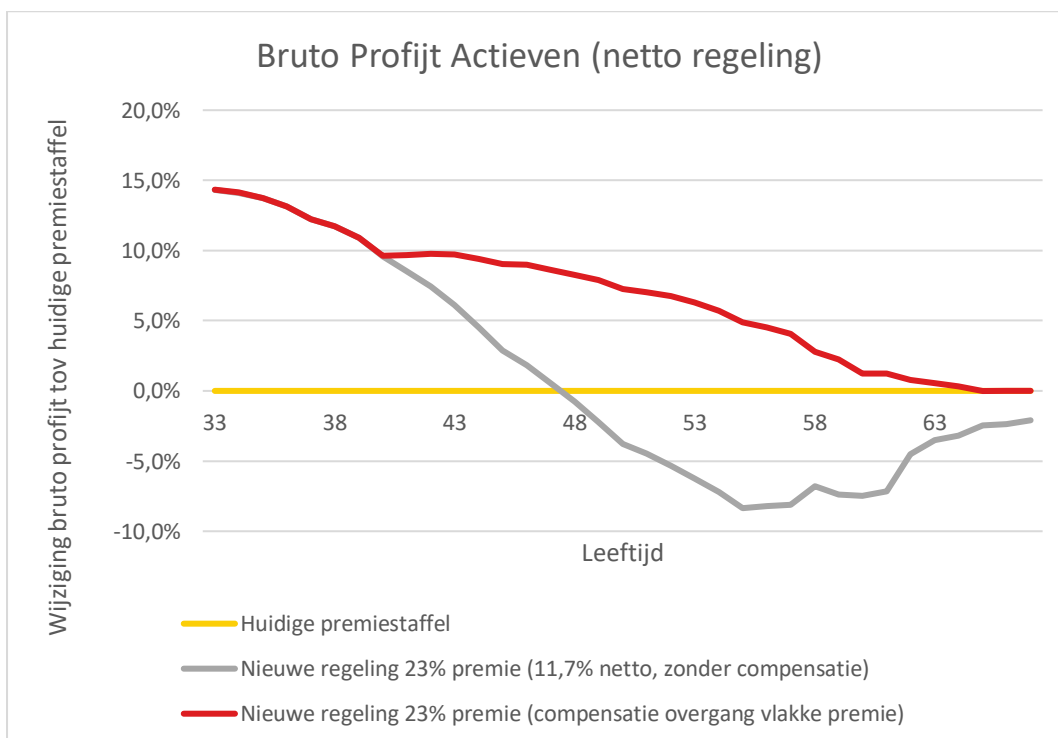




Net scheme - 2%-point higher actuarial interest rate



Net scheme - 2%-point lower actuarial interest rate





Transition plan SNPS

The previous graphs show that the gross profit in the net pension scheme is also not very sensitive to the amount of the interest. Even if the interest rate is 2% points higher or lower, the gross benefit effects are in the same order of magnitude. The intended change of the net pension scheme therefore also meets the objectives in a different interest environment.



Appendix 8 – Principles document



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Glossary

Active Participant	An employee of Shell Nederland for whom pension entitlements are accrued.
Compensation	Compensation for active participants that relates to missing future pension accrual due to a change in the contribution system and is included in the transition plan as compensation scheme. The switch to a premium scheme with a flat premium can lead to (active) participants in the changed pension scheme accumulating less pension than would have been the case with the continuation of the current pension scheme and system. The consequences of this change must be considered in conjunction with the consequences of the entire transition.
Participants	An active participant, former participant, former partners or pensioner who has joined SSPF and/or SNPS as a (survivor of a) employee or former employee of Shell Nederland based on the pension regulations and for whom pension claims are being acquired, have been acquired and/or are already paid.
Flexible premium scheme	A premium scheme (with an optional risk-sharing reserve) in which a personal pension capital is accrued and in which investments are made according to an investment mix (life cycle) determined per age cohort based on risk appetite with individual risk-sharing whereby investment results directly impact own pension capital.
Former participant / former partner	A participant who no longer accrues pension entitlements, but whose pension benefit has not yet commenced; also known as a "deferred member". The former participant has paid contributions to the pension fund in the past and is therefore entitled to a pension benefit from the retirement age. A former partner is the partner of a former participant who has already died before retirement age. Together with the pensioners, this group is also called the "inactives".
Net pension scheme	A net contribution scheme that is implemented by Shell Nederland Pensioenfonds Stichting (SNPS) for employees who earn more than the fiscal maximum limit in the applicable pension scheme whereby pension is accrued from the net income.
Pensioner/ Retired Participant	A participant or, in the case of a deceased participant, a partner or orphan for whom the pension benefit has commenced. Together with the former participant, this group is also called the "inactives".
Pension regulations	The combination of rules, in which the pension scheme is described. The pension regulations are the legal basis from which the participants can derive their entitlements and contain the rights and obligations of all participants.
Risk sharing reserve	A collective capital reserve with which financial windfalls or setbacks can be shared in a flexible contribution scheme.



Transition plan SNPS

Shell Netherlands	All Shell entities that qualify as a member company as agreed in the administration agreement and employ employees who accrue pension in one of the pension schemes at Shell in the Netherlands.
SNPS pension scheme	A gross defined contribution scheme implemented by Shell Nederland Pensioenfonds Stichting (SNPS) for employees who joined Shell Nederland on or after 1 July 2013
SSPF pension scheme	A gross benefit scheme implemented by Stichting Shell Pensioenfonds (SSPF) for employees who joined Shell Nederland before 1 July 2013
Administration Agreement	The agreement between the pension administrator and the employer about the implementation of one or more pension regulations. The employer who offers pension as a condition of employment is obliged to place this pension agreement externally with a pension administrator. The administration agreement gives shape to this obligation.

