



SNPS

WHAT WILL CHANGE IN YOUR PENSION?

OCTOBER 2024

This brochure is intended for participants in the gross and/or net pension scheme administered by Shell Nederland Pensioenfonds Stichting (“SNPS”). This gross pension scheme applies to (former) employees who have joined Shell as from 1 July 2013 and are accruing or have accrued pension in Shell’s Dutch pension scheme(s). As of 1 January 2015, the net pension scheme applies to all (former) employees who are or have been employed by Shell, who accrue pension in one of Shell’s gross pension schemes in the Netherlands and who have (had) a salary above a certain level (approximately EUR 120,000).

This brochure is a simplified summary of the SNPS transition plan. Want to read more? Go to www.nieuwpensioenbijshell.nl for the transition plan and more information.

The most important changes in a nutshell:

- As of 1 January 2026, we will switch to a flexible contribution scheme with a higher employer contribution, which provides the prospect of a good pension. As a participant you can make choices in this scheme, including the amount of your personal contribution.
- The contribution in the new pension scheme is a flat contribution. Each participant receives the same premium percentage, regardless of the age of the participant.
- Current employees will be compensated for a possible difference in the future accrual. This compensation is paid through your salary, as long as you remain employed.
- Current employees will also receive an additional financial supplement.
- Survivor’s pension and the disability scheme remain well arranged.

New rules for pensions

As of 1 July 2023, the Future Pensions Act (Wtp) has come into force. This law stipulates that future pension accrual from no later than 1 January 2028 may only take place in a defined contribution scheme and that a flat – age-independent – contribution will be paid.

The SNPS pension schemes are already defined contribution schemes. So that doesn’t change. What does change, however, is the way in which the individual pension contribution is determined. That is why Shell Netherlands has made agreements with the Central Staff Council (COR) about the pension in the SNPS scheme.

On our way to a new pension scheme

In order to steer a change such as this in the right direction, there has been extensive coordination in recent years between all parties involved: Shell Netherlands, the Central Staff Council (COR) and the Board of SNPS.

This is because the COR has the right of consent to changes to the pension scheme. All parties involved were advised in this process by various professional external (pension) advisors to ensure a thorough analysis and quality assurance in the decision-making process.



Important principles

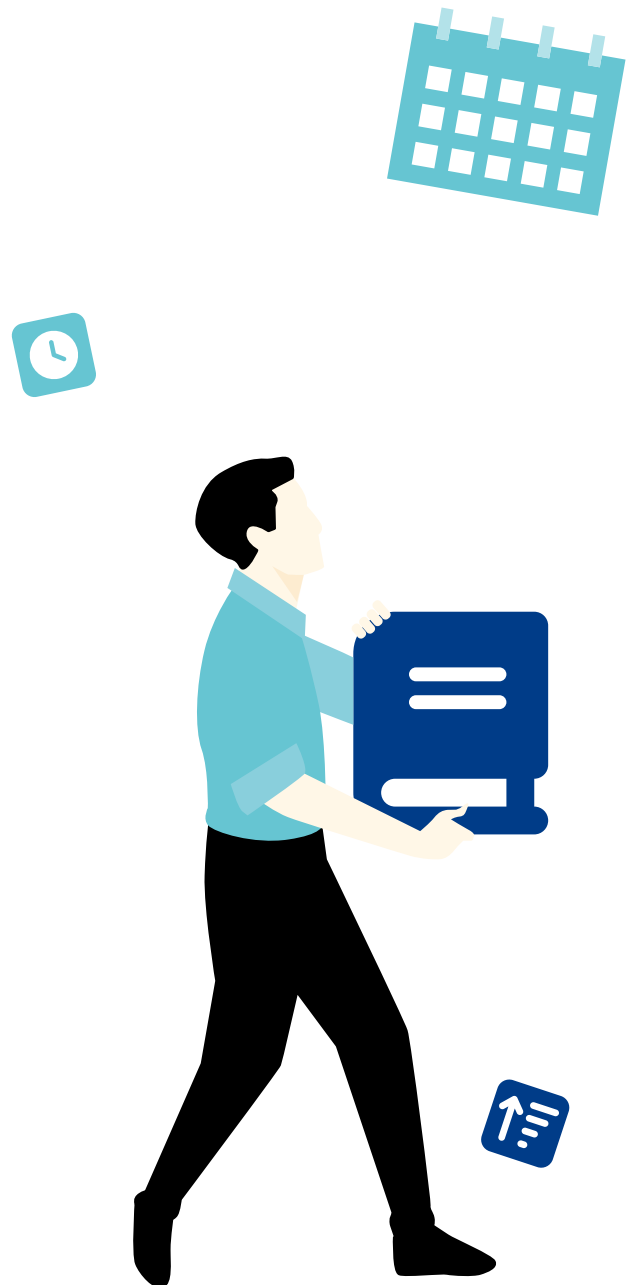
Shell Netherlands and the COR have formulated a number of principles and specific objectives for this transition. These have been used in the design of the new regime and the transitional measures.

These are the main principles:

1. The decision-making process must be careful whereby all interests are carefully considered.
2. Pensions must remain an attractive employment condition. The employer and the COR will remain involved (even after the transition).
3. This new pension scheme must be future-proof and explainable. Striving for transparency, individual flexibility and equality for employees is important in this regard.

Want to know more?

See chapter 3 of the SNPS Transition Plan.



The new pension schemes

The new pension schemes (gross and net) are a flexible contribution scheme. A flexible contribution scheme fits well with the diversity, independence and level of education of Shell employees. This scheme is similar to the current SNPS schemes. A number of important elements will therefore remain the same. The old-age pension and the survivor's pension will remain lifelong pension benefits. The employer and the employee continue to save up together. Pension assets are collectively invested and participation in the SNPS gross pension scheme remains compulsory. What will change? We'll explain it to you.

Flexible contribution scheme

A defined contribution scheme is a pension scheme in which a contribution is promised. This contribution is used to invest and build up a pension in your own pension pot. It is not clear up front what the level of your pension will be at retirement because it depends on investment returns. In the flexible contribution scheme, just as is the case now, you have certain options during the accrual phase and at retirement.

You can think of, among other things:

- the option to determine yourself what the level of your employee contribution should be;
- the option to choose between different investment profiles with which you are expected to achieve higher or lower returns, but which also means more or less risk or even negative returns;
- retiring earlier or later;
- the choice between a variable pension in which the pension will remain invested after the retirement date or a fixed pension with a pension insurer.

The premium

In the new scheme, a flat contribution is paid for a good pension with purchasing power. This premium is the same for everyone, regardless of age. The employer pays 21% of the pension base. The employee's standard premium is 7%, with the option to adjust this to a minimum of 2% and a maximum of 9%. These percentages are based on the current maximum fiscal space. This contribution ensures a higher total contribution to the pension and contributes to a pension with purchasing power with a significantly improved expected pension compared to the current scheme. In addition to the employer's contribution to the old-age pension, the employer also pays the risk insurances for the gross scheme.

Continued engagement

Shell Netherlands and the COR will remain involved in the new pension scheme. They will regularly review how the pension scheme compares to other pension schemes in the market. They will also examine whether the contribution is appropriate in comparison with other pension schemes and in the context of the overall benefits strategy of the global Shell group.



Pension in the event of death and incapacity for work

• Pension in the event of death remains well arranged

You accrue pension for your retirement pension. In addition, you accrue a survivor's pension for death after the retirement date. On your retirement date, you make a choice for the amount of your survivor's pension.

The amount of the survivor's pension that applies if you die during your employment with Shell will change. The payment will still be made on the basis of a separate risk insurance. However, the amount of this benefit is no longer dependent on the amount of the number of years of service to be achieved and the last salary earned, but is equal to a fixed percentage of your last earned salary, independent of the number of years of service to be achieved. This applies to both the pension to a partner (if any) and the pension to children (if any). This coverage is comparable or sometimes even better than it is now.

If you leave employment but have not yet retired, you can continue this insurance voluntarily (the costs will then be paid from your pension capital). In addition to this, your partner (if any) will also receive a temporary partner's pension.

Survivor's pension is paid to your partner (if any) for life and to your children (if any) until the age of 25.

• An excellent insurance in case of disability

If you become incapacitated for work, you will receive a pension until your retirement date of a maximum of 90% of your pensionable salary up to EUR 71,000 (the 2024 WIA salary limit) and 70% on the salary above that. In the future, this pension will no longer be arranged through the pension scheme, but directly by the employer through an external insurer.

In addition, your pension accrual will also continue during incapacity for work, but you will no longer pay a pension contribution for it. We call this a non-contributory accrual.

Want to know more?

See chapter 4 of the SNPS Transition Plan.

Transitional measures

The SNPS pension schemes are already defined contribution schemes. You are already accruing pension in your own pension pot. The premium that is paid currently depends on the age of you as a participant. That's about to change.

For all employees who accrue pension (active participants), a flat, age-independent contribution will be paid. The transition from the current graduated contribution scale to this flat contribution also has consequences for current employees who accrue pension in one of the SNPS pension schemes.

Inactive participants (former participants and pensioners) no longer accrue pension with Shell and will therefore not be disadvantaged by the transition to a flat contribution.

The consequences of the transition to a flat premium 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, this will be compensated through the salary. The employee receives monthly compensation, as long as the employee remains employed. The amount of compensation depends on your year of birth. In addition to the compensation, current active participants receive an additional supplement on a monthly basis for the benefit of future equilibrium. This additional supplement is intended to put active participants in a similar position as new employees.

Want to know more?

See chapter 5 of the SNPS Transition Plan.



Already accrued pensions

The current participants of SNPS have already built up individual pension capitals. From a technical point of view, these accrued pensions must also be converted to the new flexible contribution scheme. That happens one-on-one, which means that, in principle, this has no consequences for the participants. This is because the current SNPS schemes are already defined contribution schemes.

There may be an exception for existing survivors' benefits in the event of death during active service or disability benefits. This (small) group of participants is carefully looked at in consultation with SNPS. The basic principle is that these participants retain their existing benefits as much as possible.

Are you already retired? In that case, the choices you made on the retirement date will be maintained.



What happens next?

Shell Netherlands and the COR want to introduce the new pension scheme as of 1 January 2026. This means that your pension agreement will change as of 1 January 2026. Until then, there is still a lot to be done.

The transition plan is now with the pension fund. They will assess the plan. We expect a response before the end of the year. The pension fund will also keep you informed on developments and they will inform you on what the transition will mean for you personally. That will take a while. We expect you to hear more about your personal impact just before the implementation date (January 1, 2026).

In the transition plan, you can find an indication for different participant groups and ages in Appendix 6. On the website www.nieuwpensioenbijshell.nl you will also find more information, explanatory videos and an extensive question-and-answer document.



Disclaimer

The content of this brochure is a simplified representation of the transition plan and has been prepared with care and according to the current knowledge of Shell Netherlands. Despite our care and attention, it is possible that the content is incomplete or that there may be inaccuracies or that information will be superseded at any time by new developments or insights. No rights can be derived from the contents of this brochure. The final regulations and other binding documentation will only become available at a later stage of the preparation of the transition.

