



Stichting Pensioenfonds Ecolab

Information meeting for Nalco

January 24, 2019

Agenda

- Who we are
- Annual report 2017 – key figures
- Development of the funding ratio of the pension fund
- Financial framework for NL pension funds – Reduction of accrued pensions
- Financial framework for NL pension funds – Indexation
- Financial framework for NL pension funds – Summary
- Welcome to Ecolab pension fund!

Who we are- Board of trustees

DE VIJF LEDEN VAN HET BESTUUR STELLEN WE GRAAG KORT AAN U VOOR



Ronald Hagoort

Voorzitter – extern bestuurslid namens
werkgever



Xander de Vries

bestuurslid namens werkgever



Sander Goemans

bestuurslid namens werknemers



Ton Jenner

bestuurslid namens werknemers



Dick Lucas

bestuurslid namens (pre)-pensioengerechtigden

HET BESTUUR WORDT ONDERSTEUND DOOR:



Astrid Klaassen

extern pensioenadministrateur en ambtelijk secretaris

Who we are – Accountability Board

CONTROLE

Het Verantwoordingsorgaan beoordeelt of het bestuur het vastgestelde beleid correct uitvoert en de juiste en weloverwogen beleidskeuzes maakt voor de toekomst. Daarnaast adviseert het Verantwoordingsorgaan over een aantal in de pensioenwet genoemde onderwerpen.

DE LEDEN VAN HET VERANTWOORDINGSORGAAN ZIJN



Johan Zinger

Voorzitter – lid namens werkgever



Arjan Dral

lid namens werknemers



Wicher de Jong

lid namens pensioengerechtigden

HET VERTEGENWOORDINGSORGAAN WORDT ONDERSTEUND DOOR



Coine de Langen

secretaresse

U KUNT HET REGLEMENT VAN HET VERANTWOORDINGSORGAAN RAADPLEGEN VIA DE BUTTON 'FONSDOCUMENTEN'.

Voor het Intern Toezicht heeft het bestuur, na instemming van het Verantwoordingsorgaan, gekozen voor een Visitatiecommissie, welke bestaat uit drie onafhankelijke specialisten.

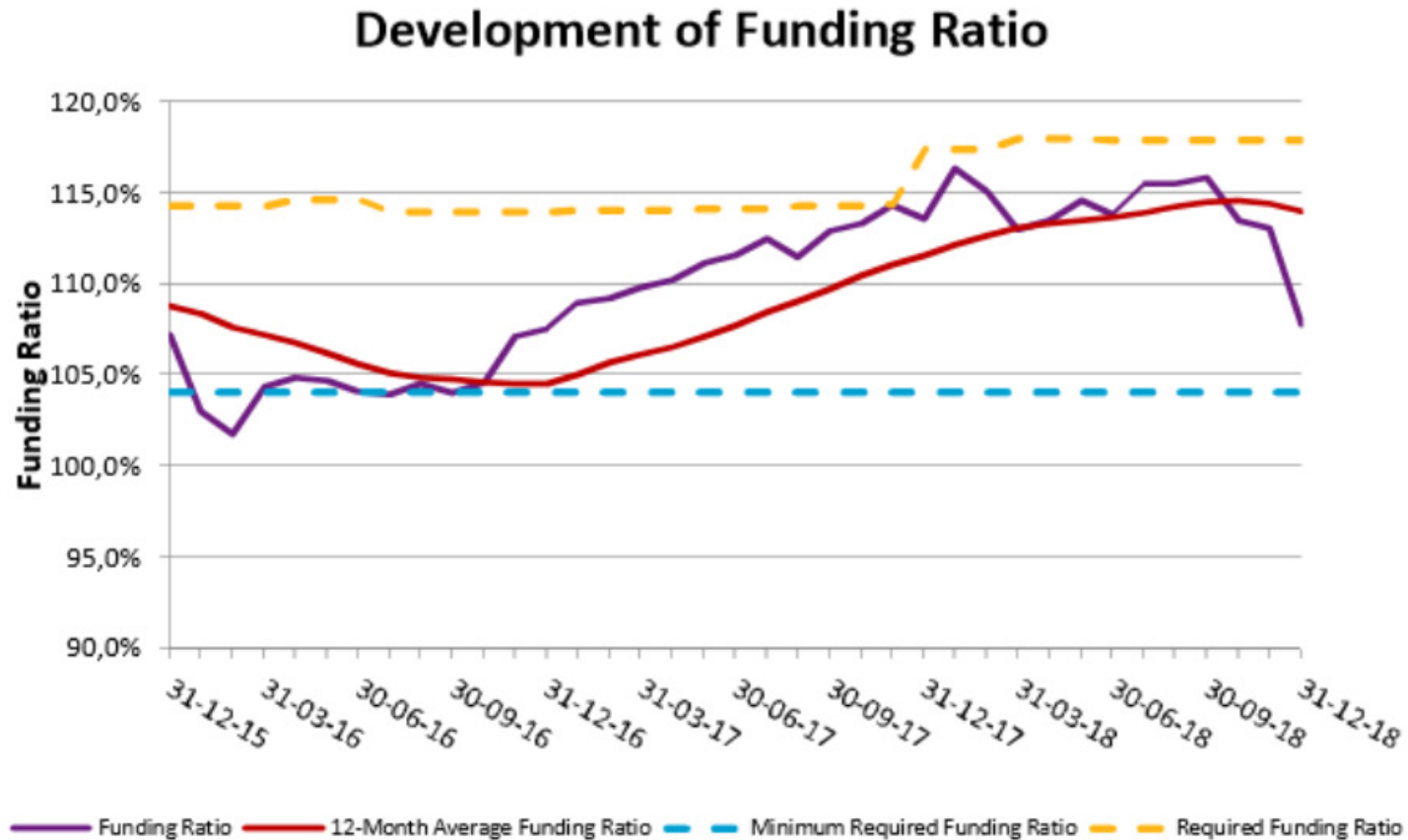
De Visitatiecommissie heeft de volgende taken:

- Het beoordelen van beleids- en bestuursprocedures en -processen en de checks en balances binnen het fonds.
- Het beoordelen van de wijze waarop het fonds wordt aangestuurd.
- Het beoordelen van de wijze waarop door het bestuur wordt omgegaan met de risico's op de langere termijn.

Annual report 2017 – key figures

Boekjaar	2017	2016	2015	2014	2013
Aantal verzekerden					
Actieve deelnemers	148	163	179	190	201
Premievrije rechten (“slapers”)	269	259	356	361	363
Pensioentrekenden	150	147	148	144	139
Reglementvariabelen (per 1 januari volgend op het genoemde boekjaar)					
Toeslagverlening actieven per 1 januari	0,07%	0,0%	0,0%	0,9%	0,0%
Toeslagverlening inactieven PF per 1 januari	0,06%	0,0%	0,0%	0,2%	0,0%
Pensioenuitvoering					
Feitelijke premie	2.003	2.133	2.235	2.252	2.447
Uitkeringen	2.421	2.369	2.292	2.262	2.384
Vermogenssituatie en solvabiliteit					
Pensioenvermogen	111.752	108.053	100.343	101.634	82.056
Vereist eigen vermogen	17.134	14.164	13.693	10.126	8.916
Pensioenverplichtingen	98.365	100.608	93.446	89.393	75.080
Beleggingsrendement in %	5,7%	10,6%	-0,4%	28,2%	3,1%
Benchmark in %	5,5%	10,4%	2,0%	27,2%	3,4%

Development of the funding ratio of the pension fund



Financial framework for NL pension funds – Reduction of accrued pensions (1)

- If the 12-Month Average Funding Ratio < the required funding ratio a pension fund has to submit a recovery plan to the regulator. The calculation rules are prescribed by law
- A recovery plan is a future forecast, the development of the coverage ratio will be (by definition) different in practise. In case of disappointing investment returns and/or a (further) declining interest rate, the recovery may be lagging behind the forecast of the recovery plan
- The recovery plan is evaluated each year:
 - If the coverage ratio is five years consecutively lower than the minimum required coverage ratio (= 104,2%), and the current coverage rate is also lower, then accrued pensions must be reduced
 - Accrued pensions must also be reduces if the pension fund has insufficient recovery power to grow to the required funding ratio (= 117,4%) in a maximum of 10 years. Reduction of accrued pensions is last resort
- Reductions do not have to be implemented at once, but can be spread over a period of 10 years. This is in favor of the retirees, because they receive their pension payments for a longer period without a discount or with a lower discount

Financial framework for NL pension funds – Reduction of accrued pensions (2)

- As of January 1, 2018, the 12-Month Average Funding Ratio was 111.4% and thus lower than the required funding ratio of 117.4%. Based on the recovery plan submitted to the Dutch regulator - De Nederlandsche Bank (DNB) in 2018:
 - It is the expectation that the pension fund can recover on its own strength in time to the required funding ratio of 117.4%. Additional measures, such as the reduction of accrued pensions, are therefore not necessary
 - The recovery plan has been approved by DNB

Financial framework for NL pension funds – Indexation

- Based on the Dutch financial framework for pension funds the rules of ‘future proof indexation’ apply
- The board of trustees of the pension fund uses the following guideline:
 - 12-Month Average Funding Ratio <110%: indexation nil
 - 12-Month Average Funding Ratio between 110% and the upper limit (approximately 125%): indexation proportional
 - 12-Month Average Funding Ratio > upper limit: full indexation plus possibly catch-up indexation

Financial framework for NL pension funds – Summary

- 12-Month Average Funding Ratio as of December 31, 2018 : 114,0%
- In view of the current 12-Month Average Funding Ratio, the board of trustees does not expect that it will be possible to grant full indexation or partial indexation annually the coming years
- In view of the current 12-Month Average Funding Ratio, the board of trustees expects that it will not be necessary to reduce the accrued pensions in the coming years
- Indexation granted as of January 1, 2019 : 0,61% resp. 0,52%

Welcome to Ecolab pension fund!

- Recently you have received a 'welcome letter' from the pension fund
- For more information about the pension fund: www.pfecolab.nl
- In the coming months 'Pensioen 1-2-3' will be included on the website for the Nalco participants:
 - Layer 1 offers information about the pension scheme in general terms. Layer 1 replaces the start letter
 - Layer 2 provides an explanation of the main lines of the pension scheme
 - Layer 3 contains detailed information about the pension scheme (pension regulations)
- You will receive the first UPO of the pension fund in 2020. Information about your pension accrual with the pension fund will be made available on www.Mijnpensioenoverzicht.nl in the course of this year
- We keep all participants informed of current developments (including the future of the pension fund) via the website