SNPS
Shell Nederland Pensioenfonds Stichting

Would you prefer a fixed or variable pension?

Collective Variable Pension (CVP)

For whom is this brochure intended?

You participate in the gross SNPS pension scheme and/or the net SNPS pension scheme for employees with an income above the tax limit. The information in this brochure is intended for participants in the SNPS pension scheme as well as participants in the Shell net pension scheme. You can use the brochure to assist you in making your decision whether or not to participate in the CVP.

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What's in this brochure?

This brochure contains general information about the Collective Variable Pension (CVP) at SNPS. The information does not take your personal circumstances into account. This brochure does not give advice on whether or not you should participate in the CVP. Participation is voluntary. You decide whether the CVP suits your financial situation. Because this is an important decision, we think it is wise to engage a financial advisor.

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Your pension scheme at SNPS

Defined contribution scheme
Your pension scheme at SNPS is an defined contribution scheme. Through the contributions that you and your employer pay, you accrue your own gross pension capital, on your (capped) pensionable salary. If your pensionable salary exceeds this maximum, you can participate in the Shell net pension scheme at SNPS. In that case, you can accrue a net pension capital for the portion of your pensionable salary above the statutory fiscal maximum.

In this scheme, your pension capital is invested in accordance with your chosen individual Life cycle profile. The risks and investment results are at your own expense.

Collective variable pension (CVP)
When you retire, you have the choice between a fixed or a variable pension. You will make a provisional choice in the year you turn 58. If you later wish to receive a fixed pension, you will need to purchase that pension personally at an external pension administrator. If, later on, you wish to receive a variable pension, you will receive this benefit from SNPS and you will participate in the Collective Variable Pension (CVP). In the rest of this brochure, we will explain what this choice involves.

You can choose for a fixed or variable pension

From the year you turn 58, you make a preliminary choice for a fixed or a variable pension after retirement. You have to make a final choice when you retire.

A fixed benefit gives you a fixed amount per month, so you know what you will receive each month until the end of your life. A variable pension changes in line with the return on investment obtained. This is expected to provide a higher pension, but there is no guarantee. In bad times, there is a risk of the variable benefit being lower than the fixed benefit.

From the age of 58 you therefore have the choice of two possibilities:

- **Participate in the CVP - variable pension from SNPS after retirement**

Participation in the CVP is intended to provide you with a variable pension from SNPS when you retire, which is expected to increase over the period of retirement. From the age of 58 up to your chosen retirement date, your accrued individual pension capital will gradually be converted into pension entitlements in the CVP and invested in accordance with the collective CVP investment mix. If you are accruing gross as well as net pension capital at SNPS, you will participate in both schemes. It is not possible to participate in the CVP with a portion of your pension capital.

- **Non-participation in the CVP - fixed pension benefit from an external pension administrator after retirement**

If you do not participate in the CVP, your aim is to purchase a fixed pension benefit from an external pension administrator of your choice. You still continue to accrue and invest pension capital from the age of 58 until you retire in accordance with your individual Life cycle profile. If you are accruing gross as well as net pension capital at SNPS, your decision not to participate in the CVP applies to both schemes.

You make your preliminary choice using the "Preliminary Choice for a Fixed or Variable Pension form".

Please note: If you do not choose or do not choose in time, you will be deemed to have chosen to participate in the CVP.

CVP: sharing risks on a collective basis

In the CVP, the accrued pension capital of the participants is invested on a collective basis. This enables the participants to share a number of risks. This concerns the following risks:

- Investment risk
- Longevity risk
- Mortality risk
- Interest rate risk

In the CVP the participants' accrued pension capital is invested collectively. Consequently, participants share various risks with each other. And because the results are spread gradually in the CVP, the risk of large fluctuations in your pension is reduced.

Investment risk
The value of your investments may go down as well as up. The collective scheme absorbs and spreads any major fluctuations in returns, both negative and positive. Therefore your pension is less sensitive to the impact of any shocks in the stock markets. This is extra important if such a shock were to occur just before you retire.

Longevity risk
The life expectancy in the Netherlands could rise more quickly than expected. In that case, more pension has to be paid than previously expected. This is absorbed collectively by the group.

Mortality risk
The number of participants who die in a year could be more or less than would be expected statistically. This is absorbed in the collective scheme.

Interest risk
When you convert the accrued capital into a fixed pension at retirement, you are dependent on the interest rate at that one specific time. "We deal with this differently in the CVP. Because in the CVP we gradually convert your accrued capital into pension entitlements, you are less dependent on the interest rate at a specific time."

Even after retirement, results – profits and losses – are incorporated into your pension, spread over a period of 5 years. This prevents large fluctuations in your pension, but your pension will vary slightly in value from year to year.

These risks and costs jointly determine the result that is applied to the CVP annually.

The effect of interest rates on your pension
To a large extent interest rates determine the amount of pension you will receive. An explanation follows. Suppose that you retire now. You use all your accrued pension capital at once to purchase a pension from an external pension administrator. The pension administrator uses the interest rate applicable at that time to calculate how much pension you will receive annually.

Here is a fictitious example to clarify this. At the age of 68, a participant wishes to purchase a pension with a pension capital of €100,000. How much can this participant expect?

Market rate interest	Annual pension
1%	€ 4.460
2%	€ 5.060
3%	€ 5.690
4%	€ 6.350

From pension capital to a pension benefit

In the CVP your individual, accrued pension capital is gradually converted to pension entitlements at SNPS in a maximum of 10 annual steps from the age of 58. These pension entitlements are variable and fluctuate with the results in the group.

The interest rates applicable at the time of the annual conversions of your pension capital into the CVP determine the amount of pension that you will purchase. Because the conversion is spread over a ten-year period you are less dependent on a given interest rate at one specific time (when you retire).

If you would like to know how capital conversion works please watch the video "conversion of capital" at www.shellpensioen.nl/cvp.

Investment mix

During the gradual conversion of your capital into the CVP you continue to accrue pension capital. Your remaining pension capital remains invested in accordance with your chosen Life cycle profile: defensive, neutral or offensive.

Your pension entitlements in the CVP are invested in accordance with the CVP investment mix. This is one mix with a fixed distribution of marketable securities (such as shares) and fixed securities (such as bonds). Hence the CVP investment mix is not tailored to your personal circumstances, but is specifically set up for the collective scheme including the phase during which you are (almost) retired.
The Board of SNPS establishes the CVP investment mix carefully. This is done with the assistance of a statutory , thorough "Asset and Liability Management" study (ALM). The Board repeats the ALM frequently, in any event every 3 years and checks whether the CVP investment mix needs to be adjusted as a result of the findings of the ALM study. Investments are made in institutional investment funds. These funds carry lower fees than investment funds for private individuals.

More information about the investment mix for the CVP is available on your my-Shell pension portal. In a maximum of 10 years, the capital from your chosen Life Cycle will have been converted to the fixed CVP investment mix. Therefore you participate in 2 different investment mixes up to your retirement.

Spreading of results and continued investment after retirement date

Each year, from the age of 58, the collective results in the CVP (profits as well as losses) are applied once costs have been deducted. This application does not happen in one go, it is spread over 5 years, as a result of which the risk of large fluctuations in your pension is reduced.
Results (positive or negative) are also spread over 5 years after retirement. This prevents large fluctuations in your pension, but the amount of your pension will vary slightly from year to year.

If you would like to know how the spreading of results works, click on the video "spreading of results" at www.shellpensioen.nl/cvp.

Participate immediately or at retirement?

In the year you turn 58, you have to choose provisionally whether you wish to receive a fixed or variable pension. This is because from that time on, we will be investing differently on your behalf. You can still change your mind when you reach retirement age. However, it is important to make a conscious choice now.

Immediate participation in the CVP is expected to have 2 advantages:

1. In the CVP your risks are decreased by the gradual purchase of pension entitlements in the collective scheme. For your CVP entitlements, you no longer bear the risks alone, you share them with the other participants and pension beneficiaries.
2. The gradual conversion to CVP ensures that the amount of your pension is not dependent on interest rates at a specific time (your retirement).

Information about your pension in the CVP

It is important that you know what you can expect, especially when your pension can vary in amount. In your my-Shell pension portal you can see how your pension is developing in the CVP. This will show you what you can expect. Furthermore, it shows what happens to your pension entitlements in the CVP when things go well (strong economy) and how they develop in adverse conditions (downturn). See example on page 7.

Administration and investment costs

SNPS is a pension fund in which employees, pension beneficiaries and the employer jointly determine the policy and how it is administered. We are a non-profit organisation. We do incur costs in administering the CVP. There are 2 types of cost: administrative and investment.

Administration costs
In order to cover administration costs in the CVP an amount is deducted from the annual result each year. This also happens if the result is nil or negative.

These administration costs are charged onto you by this deduction. Up to January 1 2027, the maximum deduction will be 0.1% of the capital invested in the CVP for you. If a higher amount is necessary to cover the administration costs in any year during this period Shell will pay the rest. At the end of this period Shell Nederland will decide whether this mechanism continues, is terminated or takes a different direction.

Investment costs
Investment costs are deducted from the return on investment and are thus at your expense. SNPS is able to keep these costs as low as possible by making collective investments.

Purchasing a fixed pension

Are you opting for a fixed pension? In that case, there will be no change to your retirement date. You will continue accruing pension capital and investing according to your previously chosen Life cycle profile.

You make a final choice on your retirement date
Do you still want a fixed pension benefit? In that case, on your retirement date, you will purchase a pension benefit from your entire pension capital in one go. At that point, the amount you receive each month will be fixed. With a fixed benefit, therefore, you have certainty about the amount of your pension. With a fixed benefit, your pension capital will no longer be invested and you will therefore not benefit from positive investment results. Conversely, if the investments decline, you will not suffer any disadvantage.

Would you rather have a variable benefit on your retirement date? For example, because your circumstances have changed? If so, you can reconsider your provisional choice. A variable benefit will then be purchased from SNPS out of your accrued pension capital.

The amount of fixed pension you receive depends on interest rates, among other factors
With a fixed pension, you purchase a benefit in one go on your retirement date. Among other things, you are then dependent on the interest rate at that time. If the interest rate is low, you will receive a lower pension. Conversely, if the interest rate is higher, your pension will increase. With the CVP, you are less dependent on interest rates, as your pension is purchased gradually from age 58.

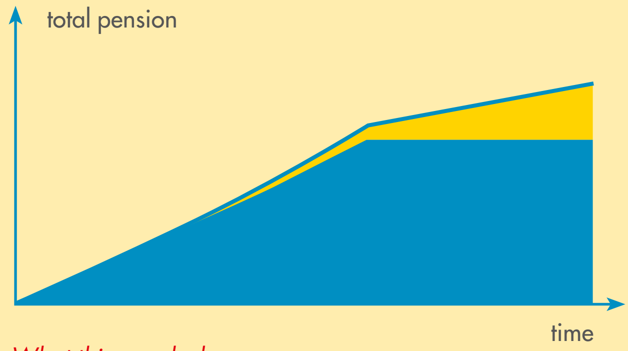
Did you participate in the CVP but now want a fixed benefit on your retirement date?
If you opted for a variable benefit at age 58, you can still choose a fixed benefit on your retirement date. We then convert all the entitlements accrued into capital, which you will use to purchase your own fixed pension benefit.

Purchasing a fixed benefit yourself
SNPS does not offer any fixed benefit. You must therefore choose a pension administrator that does offer such a benefit. You will need to make a number of choices, such as whether you want a surviving dependants' pension and whether you would like your pension to be indexed annually. The pension administrator you choose can inform you about the various options.

How to choose a pension administrator
You can look for various pension administrators yourself, for example by searching on the Internet using words such as: fixed pension benefit, fixed pension or purchasing a pension. Or you can look at an independent site such as moneywise.nl. Purchasing a pension benefit is an important decision.

Example of fixed and variable pension after retirement

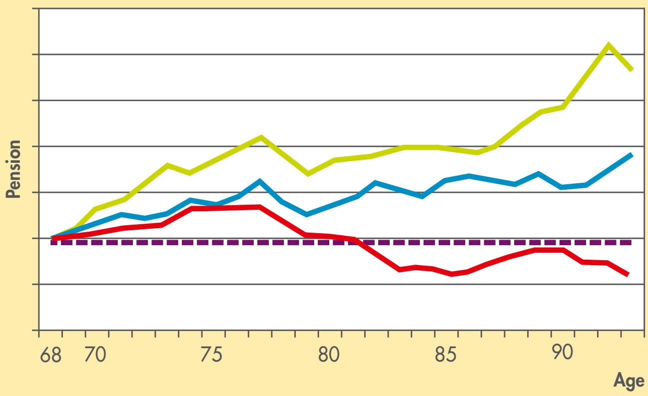
This is a hypothetical example of a participant who retires at age 68 in the CVP. Pension remains invested even after retirement. Thus the participant continues to benefit from return on investment achieved. His pension varies from year to year, both upwards and downwards. This is just an example, reality will be different. A fixed benefit offers more security because there are no variations in the amount of pension, but it is expected to provide a lower pension than a variable pension over the period of retirement. A fixed benefit can initially be lower or higher than a variable payment. The experience to date is that a fixed benefit starts out lower, but this is not guaranteed. From the age of 58, your receive a letter and a personal statement together with this brochure, so that you can make a well-informed decision.



What this graph shows

Schematic representation of your pension's expected capital gain, where the yellow part shows the CVP's capital gain in comparison to a fixed pension benefit.

Variable and fixed



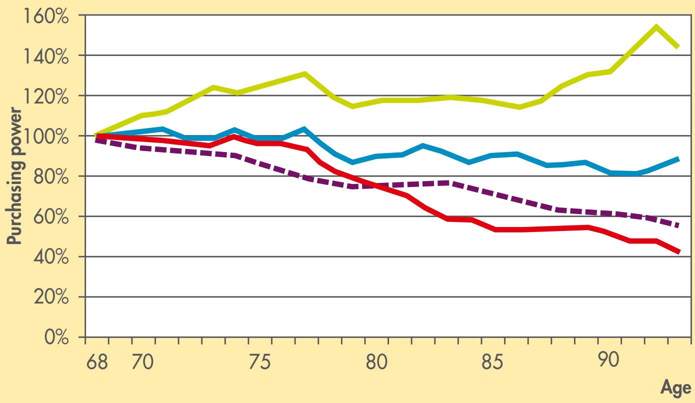
Fixed pension benefit
Variable pension in a 'strong economy' scenario
Variable pension in an expected scenario
Variable pension in a 'downturn' scenario

What this graph shows

This participant's pension in the CVP will vary in amount, this is visible in the graph. The blue line shows how the expected pension in the CVP is developing.

The green and red lines show expected pension development in a strong economy and a downturn respectively.
By way of illustration the graph also shows a fixed benefit, based on current general market rates (dotted purple line). Inflation is not taken into account.

Development of purchasing power



Fixed pension benefit
Variable pension in a 'strong economy' scenario
Variable pension in an expected scenario
Variable pension in a 'downturn' scenario

What this graph shows

Again, you see the participant's expected pension in three scenarios. By way of illustration a fixed benefit is also shown. In these scenarios about development in purchasing power, inflation is taken into account. Purchasing power is reduced due to inflation. In the long term, participants will be able to buy less and less with the same amount of euros. Therefore, you see a downward trend in the fixed benefit in this graph. The CVP is expected to compensate for (some of) this loss of purchasing power.

The choice you need to make

You make a preliminary choice for a fixed or variabel pension. If you choose for a variable pension, you will participate in the CVP.

It is important that you consider whether you want to run the risk that in the CVP your pension will vary and could in some circumstances be less than the fixed benefit alternative and whether your own financial situation can withstand that. Or if you prefer to opt for a fixed, guaranteed benefit based on the size of your pension capital and the interest rate at the time of purchase, and you accept that your purchasing power is expected to decrease more over time.

You determine what suits your financial situation

We have set out below the characteristics of both a fixed and a variable pension:

Fixed pension	Variable pension
You have certainty about the amount of your pension.	Your pension benefit changes every year.
When purchasing your benefit, you are dependent on the interest rate at that time.	You have less risk because your pension is purchased gradually from age 58.
Because your pension is not invested, you do not benefit from positive investment results. Conversely, if the investments decline, you will not suffer any disadvantage.	You benefit from positive investment results. Conversely, if the returns on investments decline, you will be disadvantaged.
A variable pension (CVP) is expected to pay out more than a fixed pension in the long term. But if times are bad, there is a risk of a CVP ultimately paying out less than a fixed benefit.	

Indicate your preliminary choice, using the form "Preliminary choice for a fixed or variable pension".

- If you want to receive a variable pension from SNPS after you retire, you should choose to participate in the CVP from the age of 58. Your accrued individual pension capital will then gradually be converted to pension entitlements in the CVP and invested in accordance with the collective CVP investment mix.

- If you want to purchase a fixed pension benefit from an external pension administrator when you retire, you should not choose to participate in the CVP from the age of 58. You will then continue to accrue and invest pension capital in accordance with your individual Life cycle profile in the existing pension scheme.

SNPS will send you a confirmation of your preliminary choice. You cannot change your preliminary selection until you retire. Please note: if you do not choose or do not choose in time, you will participate in the CVP until you retire.

There will be another key choice date just before you retire. You must then make a final choice.

Once you have chosen

Variable pension from SNPS
If you have chosen to participate in the CVP you can follow developments in your pension entitlements using your my-Shell pension portal.

When you retire you can still opt to leave the CVP. At that time, you then have your pension entitlements in the CVP converted to capital at once. All profits and losses that have not yet been shared will be applied. You use this capital to purchase a fixed benefit from an external pension administrator of your choice. According to the regulations it is not permitted to purchase a variable pension from anywhere other than SNPS.

Fixed pension from an external pension administrator

If you have chosen not to participate in the CVP we will assume that you will purchase a fixed pension benefit from an external pension administrator when you retire. According to the regulations it is not permitted to purchase a variable pension from anywhere other than SNPS.

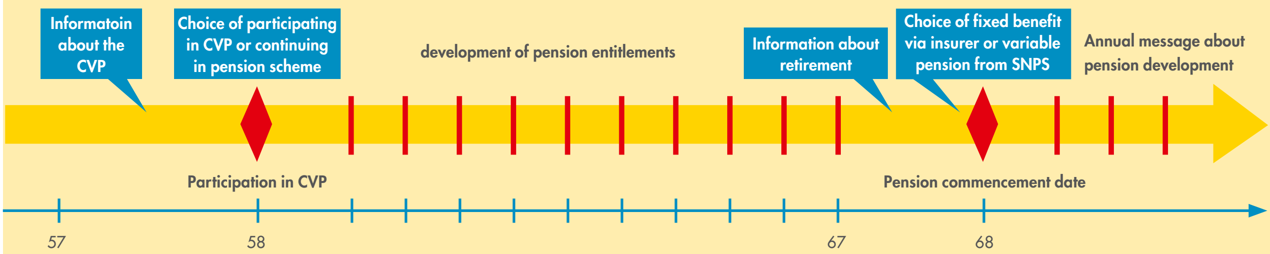
When you retire you will be given this choice again. If you opt to purchase a fixed pension benefit from an external pension administrator when you retire, you must inform SNPS which pension administrator you wish to purchase your pension from. You can still decide to participate in the CVP. If you do not communicate your choice of pension administrator you will be deemed to have chosen to participate in the CVP. In both cases, your accrued capital is converted to pension entitlements in the CVP at once, on the basis of factors such as the interest rate at that time. You subsequently receive a variable pension from SNPS.

More information about the CVP

What information can you expect and who can you turn to with any questions? At various times you will receive personal information about the CVP.

- In the second half of the year in which you become 58 you will receive a personal letter containing information about the CVP. You will make a preliminary choice to participate (variable pension) or not to participate (fixed pension benefit) in the CVP befor 1 December of that year.
- Visit www.shellpensioen.nl/cvp to follow the e-learning about the choice that you need to make between a fixed or variable pension.
- You will receive a confirmation of your choice.
- Payments into the CVP will take place annually in January, the first time in the year in which you turn 59.
- You will receive a notification about the development of your pension in the CVP every year.
- SNPS will send you a letter containing information about retirement and further pension choices approximately 6 months before you retire.
- Ultimately 2 months before you retire you can make the final choice for a variable pension from SNPS or a fixed pension benefit from an external pension administrator.
- You then receive a message when your pension commences.

Schematic timeline of important information moments



Any questions?

For general information about your SNPS pension scheme please visit the website: www.shellpensioen.nl. In addition to this brochure you will also find an FAQ and various videos about the CVP on the website.

You will find your personal retirement situation and your personal archive containing all your details and messages on your online portal: www.shellpensioen.nl/mijnpensioen. Both for your gross pension scheme with SNPS and the Shell Net Pension Scheme with SNPS.

Finally, the Shell Pension client team is available to help you.
Do not hesitate to call us: +31 (0)88 462 34 56. You can contact us on working days between 8.30 a.m. and 5.00 p.m. You can also use the Contact form on the website to make an appointment for a video call.

What happens if ...

... You retire early

In the CVP you can harmonise various elements of your pension with your personal wishes. For instance, you can retire early or opt to take partial-retirement. If you have more pension schemes, a net scheme and a gross pension scheme for example, and you retire before the age of 68, you do not have to commence these pensions at the same time. But it is allowed.

When you retire, you can make a number of other choices to make your pension suit your personal situation optimally. You will receive more information about this when the time approaches.

... You find a partner

If you get married or enter into a registered partnership your partner will be entitled to a partner's pension and a temporary pension in the event of death in company service. The partner with whom you are cohabiting may also be entitled to a partner's pension under certain conditions. Your choice whether or not to participate in the CVP does not affect the partner's pension.

... You separate

If your marriage or registered partnership ends, your former partner is then legally entitled to half of the pension capital you accrued during the marriage or registered partnership. After your death, your former partner receives a so-called "special partner's pension". This also applies to pension entitlements in the CVP.
If your cohabitation contract ends, your former partner will not be entitled to pension capital, however there will be a special partner's pension. Also in the CVP.

... You die

In the event of your death in company service your partner and any children receive a surviving dependant's pension regardless of whether you participate in the CVP or not.

If you die once you have commenced your pension, your partner receives a partner's pension, if you purchased one when you retired. The partner's pension can be paid either from the CVP or by external pension administrator, depending on the choice you made when you retired.

... You become unfit for work

If you are ill for more than 2 years and UWV then declares you fully or partially unfit for work (and your employment with Shell is terminated on that basis), you are then entitled to a disability benefit. Your pension accrual is in that case continued automatically until your retirement because the pension fund pays your contributions while you are unfit, or partially unfit, for work. Participation in the CVP also continues if you have opted for it.

... You leave Shell service

If you terminate your employment at Shell, your active participation in SNPS will cease. You then become a "former participant". The pension capital you accrued remains invested for you and the annual conversion of a portion of your capital to the CVP continues.

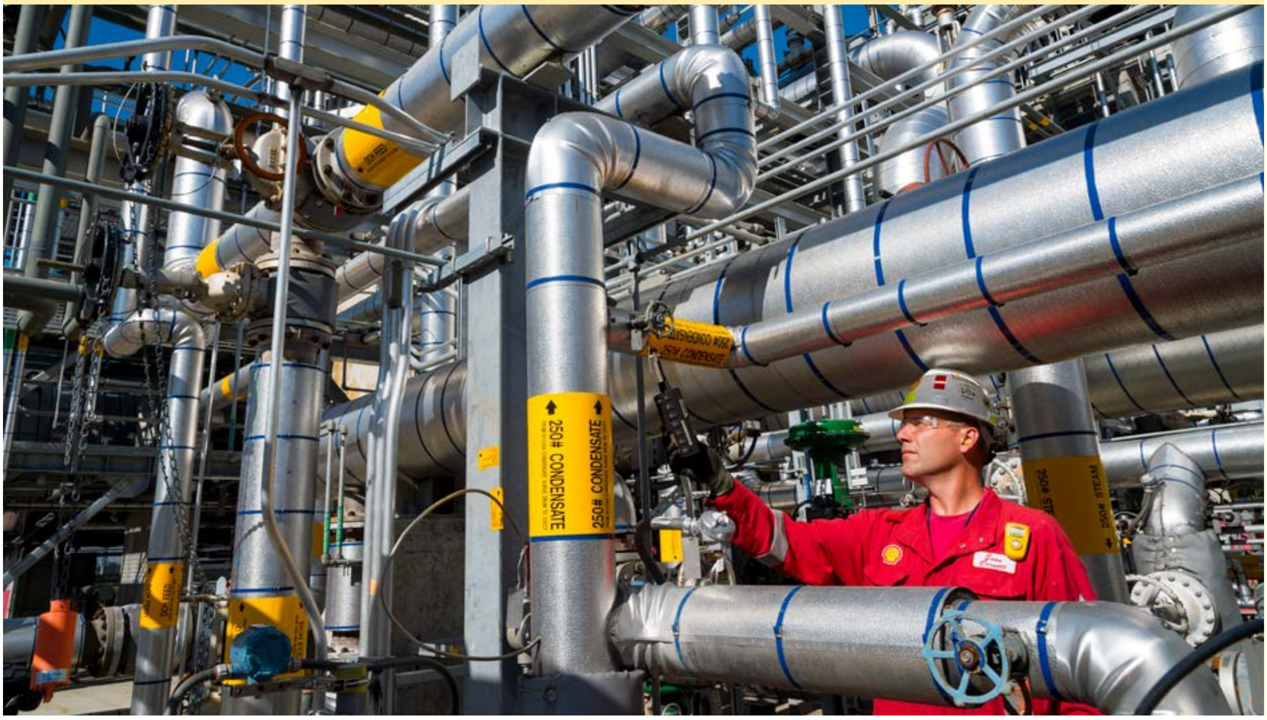
If you go to work somewhere else and you want to take your pension to your new employer you must inform SNPS. Your pension entitlements in the CVP are then converted to capital. You can then transfer this capital along with your remaining capital to your new employer's pension.

The above events have the same effect on the CVP and the current pension plan. Therefore it does not matter whether you choose to participate in the CVP or continue in the scheme.

For more information please see the SNPS website: www.shellpensioen.nl.

Glossary

Investment mix	capital is invested in various ways with various risks, in shares and bonds for example. The investment mix is the ratio between the various investment products
Return on investment	profit or loss made by the invested capital
CVP	Collective Variable Pension
Life cycle profile	individual investment mix based on the risk that the participant is prepared to take with his/her investments, the risks of which decline with age
Market rate of interest (interest rate)	the interest that is used to calculate how much pension can be purchased with a certain amount of capital
Purchasing power	that which can be bought with a certain income
Pension entitlements	entitlements to a pension that has not yet commenced payment
Pension capital	the amount consisting of contributions paid by the employee and employer and the returns achieved by the invested contributions
Results	profit or loss in the CVP, after deduction of costs from collective returns on investments, changes in interest rates, changes in life expectancy, or because of the mortality risk.



Main principles of the Collective Variable Pension (CVP) at a glance:

- Your pension remains invested after retirement.
- Your total pension is expected to be higher than a fixed pension benefit in the long term; however, there is no guarantee.
- The amount of your pension will vary after it has commenced, both upwards and downwards.
- Spreading of the results ensures that the annual impact of these variations is reduced.
- Your pension capital is gradually converted to the CVP in a maximum of 10 annual steps.
- Consequently you are not dependent on the interest rate at one specific time (when you retire).
- In the CVP there are several risks that you no longer bear alone up to retirement, these are shared with other participants, also after retirement.
- You may participate from the age of 58, it isn't mandatory, you are given the choice.
- When you are 68 (or on your chosen early retirement age) you can choose again whether or not to participate. This choice is final.
- You receive your pension in the CVP from SNPS.
- An amount is deducted from the results to cover the administration costs every year. Up to January 1, 2027, this will be capped as up to 0.1% of the capital invested in the CVP for you and Shell pays the remaining administration costs.