

Stichting Mars Pensioenfonds (Mars Pension Fund)

DESCRIPTION AND PROFILE OF A ACCOUNTABILITY COUNCIL MEMBER OF MARS PENSION FUND

Date: 20 August 2021

The main objective of Mars Pension Fund (hereafter: **MPF**) is paying pensions to all beneficiaries by correctly executing and administrating the pension plans of the Fund. The Pension Board (hereafter: **PB**) is responsible for good governance of MPF including the investment policy. The PB has to ensure that the relationship with the Sponsors is good, in which the PB will continuously take the independent position of the Fund into consideration. Integrity and trust are the key words here. The PB gives account to the Accountability Council (hereafter: **AC**) annually.

From early 2022 MPF's AC will consist (temporarily) of 6 members. Two employer representatives, two active members representatives and two pensioner representatives.

The current vacancies concern a representative for members in the ARP/ASP plan and a representative for the members in the Final Pay plan and a vacancy for a pensioner.

What are the tasks of an Accountability Council member and of the Accountability Council?

The most important tasks of the PB are related to governing an adequate administration of both pension liabilities and investments, determining the investment policy, setting a proper contribution schedule and trying to ensure that the funding ratio will develop in the preferred manner. The PB operates in accordance with the Law, the Code for Dutch Pension Funds (Pension Fund Governance) and legal documents of the Mars Pension Fund itself.

The AC has to make sure that the PB looks after the interest of all stakeholders in governing the Pension Fund. Next to this the AC has to make sure that the PB spends adequate time discussing topics before taking a decision based on proper advice where needed.

In executing its tasks, an AC Member should look after the interest of all stakeholders. An AC Member is not solely representing one group, sponsoring company or other entity. The tasks and responsibilities of an AC Member should be kept strictly separated from other tasks and responsibilities that such AC Member has, for instance in her/his job.

The accountability to the AC is mainly driven by the question whether the PB has made their policies and decisions in a balanced way, taking into account the interest of all stakeholders. Based on the annual accounts, the report of the Supervisory Council (SC, "Raad van Toezicht") and other documents, the AC Members assess the work done and policy decision for the future made by the PB. Their findings, together with the PB's response are published in the annual report of the Fund.

The AC is entitled to consult the PB and the SC.

On top of that the AC has the right to advise about a number of subjects in relation to the AC itself and the structure of the internal governance:

- The compensation scheme for the PB, AC members and other bodies within MPF;
- The structure of the internal governance;
- Selection of Supervisory Council members
- The MPF complaints and disputes procedure;
- The MPF communication and information policy;
- Transfer of the liabilities or acquisition of liabilities;
- Liquidation, merger or split of MPF;
- The termination, change of the administration & financial agreement;
- Change of the legal form of MPF;
- Merger of MPF with another pension fund;
- Structure and level of the actual pension contribution (percentage).

Requirements to do the role of the AC Member

To be able to judge the considerations and decisions of the PB, good knowledge is important. The role of the AC Member is a very responsible one. Dutch Pension Law prescribes a lot of requirements for a PB Member with respect to professionalism which we think is also on a basic level important for an AC Member. These requirements are in the following fields:

- Governing an organisation;
- Relevant law and rules;
- Pension plans and pension types;
- Administrative organization and internal control;
- Outsourcing of activities;
- Communication.

These requirements apply to the administration and governance of both Dutch Pensions in general and MPF specifically.

In practice this means, as a minimum, complying with “Suitability Level A” (*Geschiktheidsniveau A*), or equivalent, as defined by the Dutch Pensioenfederatie.

Experience in pension fund governance would be a substantial benefit.

More information with respect to the professionalism requirements can be downloaded from the website www.pensioenfederatie.nl.

In addition, the following personal competencies are also considered important:

- Integrity and trust;
- No conflict of interests;
- Good ability to think and sense of judgement;
- Collegiality;
- Good communication skills;
- Excellent understanding of English (speaking and writing);
- Intrinsic motivation and commitment;
- Eagerness to continuously develop and learn.

Because of the fact that all AC meetings, PB meetings and a number of other meetings are held in the English language, a proper knowledge of English both in speech and writing is required.

Specific responsibilities and requirements

The following contributions are expected of an AC Member:

- Participating in AC meetings four times per year, in meetings with the Daily Board two times per year and once a year in the AC-SC-PB consultation meeting.
- Attending training, both internally and externally, staying up to date with developments and being aware of actual Pension Law and having a good understanding of the fiduciary responsibilities of the PB.
- Preparing a report to be discussed in spring each year and finalized in time for incorporation in the annual report.

AC Members must obviously be interested in the role and are highly committed in taking it on. The pensioner representative should be committed to spend 8 to 10 days per year on this role as a minimum. Representatives of the active members should get commitment from their Line Manager, that they can spend 8 to 10 days per year on this role.

For more specific information with respect to the requirements of professionalism you can download the “*handreiking geschikt pensioenfondsbestuur*” from the website of de Pensioenfederatie: www.pensioenfederatie.nl.

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