Stichting Mars Pensioenfonds (Mars Pension Fund)

Actuarial and Technical Business Memorandum (ABTN)

12 December 2025

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1 INTRODUCTION

Stichting Mars Pensioenfonds (hereinafter: the Pension Fund) is a company Pension Fund as referred to in Chapter 1, Heading 1.1, Section 1 of the Pensions Act (*Pensioenwet*).

Pursuant to Section 145:1 of the Pensions Act, a company Pension Fund must set down an Actuarial and Technical Business Memorandum (*Actuariële en BedrijfsTechnische Nota*, also referred to as ABTN). The goal of this ABTN is to provide a comprehensive insight into the operation of the Pension Fund and to give a description of the policies pursued by the Fund. The financial design and the principles on which this policy relies shall be defined and motivated.

The financial and other obligations ensuing from the pension promises of the Company are regulated in accordance with the Articles of Association in a separate Administrative and Financial Agreement (*Uitvoerings Overeenkomst*) between the Company and the Pension Fund. The methods, actuarial principles and assumptions specified in this ABTN jointly form the principles for this agreement.

This ABTN is set up in three layers. The first layer gives a high level description of the pension fund. The second layer contains a further description of the organisation and its policies. The third layer contains an overview of all policy documents.

All words and definitions, as used in this ABTN, must be interpreted in the same manner as in the Articles of Association, the ARP/ASP Pension Plan and the Final Pay Pension Plan, unless determined otherwise.

This ABTN, which was adopted by the Pension Board of the Pension Fund on 12 December 2025, applies with effect from 31 December 2025 and replaces all previous memoranda and amendment sheets.

LAYER 1

Mars Pension Fund ('MPF') executes the pension plans of the associates of the Mars companies. In this first layer the Mission, Vision and Strategy, the main points of the pension plans and the financial structure are briefly outlined.

Mission, Vision and Strategy

Mission

MPF executes the pension agreements the sponsoring companies have established with their (former) associates and have entrusted to MPF. The core values and identity of MPF are based on the five key principles of MPF: quality, responsibility, mutuality, efficiency and freedom.

Vision

In the coming years MPF will get ready for the transition to a new pension arrangement. MPF will become responsible for the management of the new pension plan after the transition date. Even before the actual transition we see MPF working towards and operating under the following vision:

We will go – together with Social Partners – through an efficient decision making and implementation process for the new pension system, that will led to a balanced transition at or above the desired target funded status. We will execute a DC plan without unrewarded complexities. We strive for excellent quality in our services supported by excellent expertise from external and internal resources. The new Pension Plan will present great challenges towards effective communication. Our communication efforts will be clear, transparent and timely, providing consistent messages to our plan members. We want to continue the good relationship with the sponsoring company and the trust the members have in MPF. At all times the Pension Board will consider the interests of all stakeholders to the plans in a balanced way.

Strategy and Objectives

MPF has defined a strategy and objectives to deliver the vision. These are described in the Mission, Vision, Strategy and Objectives document.

Main points of the organization and internal control system

In order to be able to achieve the objectives of MPF and to be able to perform the associated activities optimally, the Pension Board has set up committees and competency teams whose duties include preparing Pension Board decisions. These committees and the Pension Board are supported by a Pension Office (see organization chart).

In addition, the risks associated with these objectives must be continuously managed. This is an important part of the daily activities of MPF and is structured through Integrated Risk Management.

The pension plans

MPF has two pension plans: ARP/ASP Pension Plan and Final Pay Pension Plan. A summary of these plans is included in the second layer of the ABTN. All legal matters are fully recorded in the pension regulations (layer three). These documents are provided to the members at the start of the membership and upon request.

The pension plans within MPF provide for the following pension benefits:

- Retirement Pension to cover income after retirement.
- Lifelong Partner's Pension to cover income after the death of the main insured in favour of the partner of the member.

- Orphan's pension to cover income after the death of the main insured in favour of the children of the member.
- Waiver of premium in the event of incapacity for work, to cover future accrual if a member unexpectedly becomes incapacitated for work.
- Disability Pension to cover temporary income in the event of disability. This income expires when the state pension (“AOW”) starts.
- It is possible to deploy the pensions flexibly, based on the options set out in the regulations. In this way, among other things, the Partner's Pension can be converted into a higher Retirement Pension and the Retirement Pension can be brought forward or postponed.

Indexation policy

Final Pay Pension Plan
MPF has a conditional indexation on the basis of wage index for Additional Retirement and Partner’s Pension due to the conversion in 2015 and 2018 of active members and 75% of the price inflation with a maximum of 3% for the accrued pension entitlements of inactive members. MPF also has an unconditional indexation on the basis of wage index for Additional Retirement and Partner’s Pension due to the conversion in 2006 and 2014 of active members.

For the unconditional indexation contribution is paid annually. For the conditional indexation no reserve has been formed and no contribution is paid. The primary determining factor in the granting of conditional indexation is the Policy Funding Ratio of the Pension Fund. The Pension Board will periodically have a feasibility test to determine the probability of the indexation potential.

ARP/ASP Pension Plan
The balance on the Pension Accrual Account of the ARP Pension Plan is increased by the addition of interest. The interest additions occur on a daily basis and in such a manner that the interest additions on an annual basis are maximized to a percentage amounting to price inflation (CPI all households) plus 3% points and minimized to 0% and maximized to 13%.

Partner’s Pension and Orphans Pensions are indexed according to the indexation policy for the ARP/ASP Pension plan which is the same as the indexation policy of the Final Pay Pension Plan. At retirement the balance of the pension accrual account is converted into a pension benefit. This is also the case when a Former Member passes away. These benefits (converted into a pension benefit within the Pension Fund) are indexed according to the indexation policy of the ARP/ASP Pension Plan.

In practice the indexation granted in both the Final Pay Pension Plan and the ARP/ASP Pension Plan will be initially based on provisional CPI and wage index figures. This is to ensure timely processing of the indexation. Possible deviations from the provisional figures will be corrected in the indexation figures next year.

Affiliation and contribution setting

The associates of the Company will join the pension plans administered by the Pension Fund. The agreements about the implementation of the pension agreement between the Pension Fund and the affiliated companies are set out in the Administrative & Financial Agreement (AFA) (see layer three). The employer and associates pay an annual contribution to MPF. These contributions and the returns together form the assets of MPF. All liabilities arising from the pension plans are held in-house, with the exception of the stop-loss reinsurance.

Method of determining the contribution due

The contribution is determined annually by the Pension Board according to the specifications in the AFA. The contribution must be at least equal to the smoothed cost-covering contribution unless MPF meets the requirements for a contribution reduction. The smoothed cost-covering contribution is determined on the basis of an expected return. The contribution includes a surcharge for the unconditional indexation, but not for the conditional indexation. The actual contribution is equal to the maximum of 20% (employer part) of the sum of the (capped) pensionable salaries of all active members in both pension plans and the smoothed cost-covering contribution. In the event that MPF is in a reserve deficit, an additional contribution is paid by the Company. The actual contribution shall not exceed 25% (employer part) of the sum of the (capped) pensionable salaries of all active members in both pension plans unless MPF is in a funding deficit.

Contribution reductions

MPF can only reduce the contribution to be paid by the Company if the benefit reductions and backlog in granted indexation over the past ten years have been caught up and the Policy Funding Ratio is above the Contribution Cut Limit (CCL), which is equal to maximum of Ongoing Solvency Margin Ratio (OSMR) plus 5% and Lower Indexation Limit (LIL) plus the actuarial liability of all expected future (conditional) indexations yet to be granted divided by Actuarial Accrued Liabilities (AAL). In the pre-transition phase, MPF will also consider transition objectives. In the case of a contribution reduction, the actual contribution is at least equal to the defined contributions for the ARP/ASP Pension Plan (without risk coverage and costs).

Investment Policy

MPF receives pension contributions in order to be able to pay out the pensions in the future. MPF has liabilities and ambitions, for example in the field of pension contributions and inflation compensation. In order to be able to realize these liabilities and ambitions, the Pension Board has various management tools. One of those means is the investment policy.

Risk attitude and feasibility test

A risk attitude is determined in order to determine how the investments are implemented. The risk attitude of a fund is the degree to which a fund, after consultation with the representatives of the employer or members / retirees and after consultation with the bodies of the fund, is prepared to accept investment risks in order to achieve the objectives of the fund and the extent to which the fund may accept (investment) risks, given the characteristics of the fund. Based on this risk attitude, the Pension Board has established a strategic investment mix.

Environmental, Social and Governance (ESG)

The Pension Board has adopted an ESG Policy Document. The Objective is to develop ESG as investment factor so that it can contribute to the overriding objective of acting in the best interest of the beneficiaries of MPF. The Pension Board acknowledges the importance of ESG thinking, but also the complexity of integrating this in the investment policy in a value-add manner.

Monitoring progress of developments

The pension fund closely monitors its liabilities. In doing so, it establishes liabilities and continuously assesses whether the assets grow sufficiently in line with these liabilities and whether the requirements in the pension law are met.

Actuarial Accrued Liabilities

The Actuarial Accrued Liabilities (AAL) at risk of the Members and at risk of the Pension Fund are determined in such a way that they are sufficient to cover the liabilities of the pension fund. This means that the accrued pensions of active and former members and the benefits to retirees can be fully settled. The AAL is calculated, among other things, on the basis of the actuarial interest rate as published each month by the Dutch Central Bank (DNB) and the mortality assumptions determined by MPF.

Minimum Technical Reserve and Ongoing Solvency Margin Ratio

The Pension Fund periodically determines the Minimum Technical Reserve (MTR) on 31 December in accordance with Article 11 of the Financial Assessment Framework (FTK). The MTR is equal to 100% plus the minimum required capital as a percentage of the AAL.

MPF determines the Ongoing Solvency Margin Ratio (OSMR) in such a way that with a certainty of 97.5% it is prevented that MPF has less assets than the level of the AAL within a period of one year.

Funding and reserve deficit

If the assets are less than the MTR there is a funding deficit and if the assets are less than the OSMR there is a reserve deficit. In case of a funding or reserve deficit, there is an obligation for the employer to make additional payments as agreed in the contribution policy.

Financial Crisis Plan

The aim of the Financial Crisis Plan is for the Pension Board to describe in advance which measures are available in the event of a crisis, what the impact of these measures is and which procedures must be followed. In this way, the Pension Board can operate decisively when a crisis actually occurs. Important aspects of the Financial Crisis Plan are balanced representation of interests (retirees, (former) members and the Company) and possible communication to all parties involved.

Funding surplus

If the financial position of the Pension Fund is more than sufficient, funding surpluses may arise. These funding surpluses are for the benefit of the members and the Company. If the assets of the Pension Fund are greater than the OSMR, then the repair of benefit reductions and catch-up of missed indexations is possible. If the benefit reductions are repaired and the missed indexations are caught-up, the Pension Fund can reduce the contribution to be paid by the Company.

LAYER 2

2 MISSION, VISION, STRATEGY AND OBJECTIVES

2.1 Mission

MPF executes the pension agreements the sponsoring companies have established with their (former) associates and have entrusted to MPF. The core values and identity of MPF are based on the five key principles of MPF:

Quality
Providing pensions with high quality to all beneficiaries is our work and achieving value for money is our goal. We accept investment risks as long as these investment risks are in the interests of our members and other stakeholders, and if it is necessary and effective to take these investment risks to fulfil our objectives. This will ensure as well we will aim to execute our ambition as described in the indexation policy.

Responsibility
We are responsible for the adequate execution of the pension plans, which we have agreed with the sponsoring companies. We expect full responsibility from all who work on behalf of MPF and give the right degree of responsibility to all parties related to MPF. We are responsible for maintaining good collaboration and effective channels of communication with all our stakeholders.

Mutuality
We depend on the strength of our relationships with the sponsoring companies, associates and retirees and other beneficiaries, consultants, investment managers, Pension Office, Pension Board, DNB and all other relationships and communities in which we live and work. We believe we will achieve the most optimal result via long-lasting relationship, to be successful for the future with a positive impact on our planet and its people.

Efficiency
Efficiency is a collective mindset. We organize all our assets – financial and human – for optimal productivity and value. We strive for an efficient delivery of pension services, and we continuously look for the best trade-offs between value and costs. We seek to continuously improve our quality, processes, and ways of working. We’re candid about what we do best and what needs to be better. Collaboration with partners helps us explore areas beyond our expertise and achieve more than we can on our own.

Freedom
The world we want tomorrow starts with how we do business today, and how we do business today is driven by the Mars five principles. Freedom lets us shape our future, and performance allows to remain free. Our financial freedom means we can think across generations, not quarters. It enables us to make choices that balance the needs of today with our aspirations for tomorrow.
We need to be successful to remain independent, and independence allows us to think and act differently if this is for the benefit of our stakeholders. Thinking and acting in the best interest of our stakeholders will allow us to become more successful, and will guarantee our independence, our freedom.

2.2 Vision

In the coming years MPF will get ready for the transition to the new pension system.
MPF will become responsible for the management of the new pension plan after the transition date. Even before the actual transition we see MPF working towards and operating under the following vision:

- We will go – together with Social Partners – through an efficient decision making and implementation process for the new pension system, that will led to a balanced transition at or above the desired target funded status.
- We will execute a DC plan without unrewarded complexities.
- We strive for excellent quality in our services, supported by excellent expertise from outside and inside.
- We want to continue the good relationship with the sponsoring company and the trust the members have in MPF.
- At all times the Pension Board will consider the interests of all stakeholders to the plans in a balanced way.

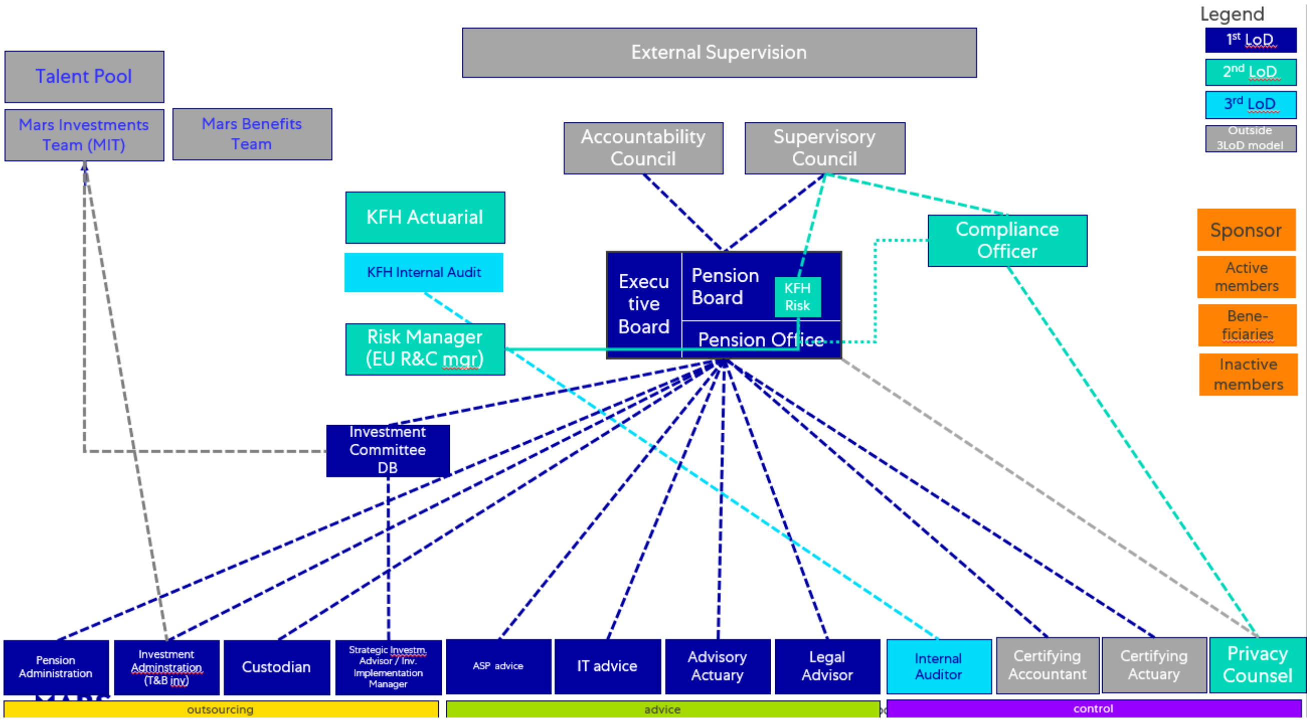
2.3 Strategy and Objectives

MPF has defined a strategy and objectives to deliver the vision. These are described in the Mission, Vision, Strategy and Objectives document.

3 ORGANISATION AND INTERNAL CONTROL

3.1 Organisation

Organisation chart



The Pension Board

The Pension Fund is governed by a Pension Board consisting of six members, half of whom - the Company representatives - are proposed by the sponsoring companies and appointed by the Pension Board. At least two others – the associate representatives – are being elected by the Fund's active members and appointed by the Pension Board. The Pension Beneficiaries representative is elected by the Pension Beneficiaries and appointed by the Pension Board. The Pension Board appoints one of its members as chairperson.

The Pension Board's composition must meet the criteria specified in the so-called Suitability Plan (*Geschiktheids Plan*) of Stichting Mars Pensioenfonds. The powers of (the members of) the Pension Board are laid down in the Articles of Association, Regulations of the Pension Board and the Organisation and Internal Control document.

The Executive Board

The day-to-day policy of MPF shall be determined by the Executive Board, which consists of the Chairperson and the Director of MPF.

The Pension Office

The Pension Board has delegated the operational duties to the Pension Office, which is led by the Director of MPF. The Pension Board has specified that the Plan of Capability also applies to the Director. The tasks, responsibilities and powers of the Director are specified in the 'Regulations of the Pension Board of Stichting Mars Pensioenfonds'), drawn up by the Pension Board.

The Pension Office is part of the Mars Benefits Team of Mars Nederland B.V.. A Service Level Agreement (SLA) has been agreed with Mars Nederland B.V. The services that are stipulated in this agreement are carried out by a wider group of Mars Associates than just those of the Pension Office and the Mars Investment Team (MIT).

The Director of MPF is responsible for the benefits related matters.

Pension administration
The Pension Fund's administration (members, benefit payments and financial administration) has been outsourced to Blue Sky Group BV as of 1 January 2022. For this reason, a contract, Service Level Agreement and a policy document on correcting errors in the pension administration have been agreed with Blue Sky Group BV.

External experts
The Pension Board and/or the Director are assisted by an actuarial advisor, a legal advisor/lawyer, a certifying auditor, a certifying actuary and other experts if there are compelling reasons to do so. The certifying actuary of the Pension Fund is WTW; PriceWaterhouseCoopers act as auditor; Blom Veugelers Zuiderman Advocaten have been appointed as legal advisor and WTW have been appointed as an actuarial advisor. SECOR Investment Advisors (UK), LLP have been appointed as the strategic advisor for the investments. Ortec Finance have been appointed as IT advisor.

Accountability Council (Verantwoordingsorgaan)
An Accountability Council *(Verantwoordingsorgaan)* has been set up in the context of Pension Fund Governance. This governance body consists of two representatives elected by the active members, two representatives elected by the pension beneficiaries, and two representatives elected by the Company. The appointment takes place by the Pension Board.
The tasks and powers of the Accountability Council have been specified by the Pension Board in the 'Regulations of the Accountability Council'.

Privacy Council
The Pension Board has installed a Privacy Council that supports the Pension Board with privacy issues. The Privacy Council determines and executes the Data Privacy Policy and oversees -and acts on- the GDPR-related aspects of the IT policy. .

Governance oversight (Intern toezicht)
The Pension Board has decided to implement the legal requirements in the context of Pension Fund Governance as to its governance oversight via Internal Supervision by appointing a Supervisory Council *(Raad van Toezicht)*.

Investment Committee
The Pension Board has installed an Investment Committee that supports the Pension Board in determining and executing the investment policy of the Pension Fund. Whilst the decision-making authority of the Investment Committee is clearly documented, the final responsibility for the investment policy remains with the Pension Board. The Investment Committee is responsible for the investment policy of the Final Pay Pension Plan, and for the Associate Retirement Plan (ARP), which is part of the ARP/ASP Pension Plan. The tasks and powers of the Investment Committee have been specified by the Pension Board in the Charter of the Investment Committee.

Key function holders
The three key function holders are defined in IORP2 and are part of the Integral Risk Management (IRM) framework which is based on the "Three Lines of Defense" model. The three key function holders (KFH) are the KFH Risk Management, Actuarial and Internal Audit. The KFH Risk Management and KFH Actuarial fulfil the control function (second line of defense) that oversees the risk management and compliance of MPF. The KFH Internal Audit forms the third line of defense.

The risk management function assesses, monitors and reports on the risk management system and also has an advisory and initiating role in relation to the risk management framework. Taking into account the size and organisation of the fund, the Pension Board has chosen that the role of key function holder for risk management is assigned to a member of the Pension Board, which also serves as the EU Risk and Compliance manager.

The responsibility of the actuarial function is, among others, to oversee the calculation of technical provisions. The Pension Board has opted to assign the role of the key holder of the actuarial function to the certifying actuary.

The internal audit function can periodically evaluate the adequacy and effectiveness of the internal control system. This function is filled in by the key function internal audit. The Pension Board has chosen to insource the KFH Internal Audit.

3.2 Internal control

The Pension Board has implemented the following control measures and policies:

Organisation and Internal Control
The internal control comprises control measures of an organisational nature and consist of specific control activities and tools assure that the Pension Board is aware of relevant developments regarding pensions and their possible consequences for the Pension Fund.

Code of Conduct
To prevent conflicts of interest, abuse and improper use of the information available at the Pension Fund, the Pension Fund has established a Code of Conduct. This Code of Conduct applies to Pension Board members, to the Pension Office members, to the MIT and to other members of bodies appointed by the Pension Board. External providers will be asked to agree with the Code of Conduct of MPF. For the Investment Committee for the assets at risk of the Pension Fund, another Code of Conduct is established.

Integrity Policy
In 2017 the Pension Board has developed a further elaboration of the Code of Conduct in accordance with the good practices for an integrity policy as published by DNB. The Pension Board has performed a systematic analysis on the risks regarding Integrity and Conflict of Interests. The Integrity Policy of MPF has been updated in 2023 using the results of this risk analysis. In the Integrity Policy of MPF risks are identified and the control measures and procedures described. These control measures and procedures are documented in the Code of Conduct and the Whistleblowers regulations. The most recent update of the Code of Conduct has taken place in 2024 and the most recent SIRA has been performed in 2025.

Outsourcing Policy
The Pension Board has developed guidelines and control measures regarding contracting and supervision of external providers. These guidelines and control measures have been specified in the Outsourcing Policy. The following elements are addressed: risk analysis (identifying risks involved with outsourcing and development) and identifying control measures to minimize those risks.

Communication Strategy
The Pension Board meets the communication obligations of the Pensions Act. The Pension Board has developed a Communication Strategy for ongoing communication with all stakeholders of MPF. The Pension Board has set up a Pension Communication Committee for this. The Communication Strategy translates the ambitions of MPF for a period of three years into realistic goals. The Strategy is updated every three years. In the Communication Strategy the core values and ambitions are determined and the target groups and means described and an overview is given on the organization around communication. This Communication Strategy is the basis for the annual Communication Action Plans.

Data privacy policy

The Pension Board has adopted in 2018 a privacy policy in line with the GDPR legislation. The Pension Board has developed guidelines through a policy document which is finalized in January 2019. The most recent update of the Data privacy policy has taken place in 2023.

IT policy

In 2019 the Pension Board has developed a policy document for IT. The Pension Board has performed a systematic analysis on the risks regarding IT. In the IT Policy of MPF the ambition is defined, risks are identified including description of the control measures and guidelines and information security are described. The most recent update of the IT policy has taken place in 2025.

4 MAIN CHARACTERISTICS AFA AND PENSION PLANS

This chapter describes the main characteristics of the Administrative & Financial Agreement (AFA) and the main characteristics of the two current Pension Plans as written down in the pension regulations. This chapter is a summary, the text in the AFA and Pension Plans are leading.

4.1 Main characteristics AFA

The main characteristics of the Administrative & Financial Agreement (AFA) are:	
Associated company	The Pension Fund implements the pension schemes that apply to the associates in service of the Company. Company means: Mars Nederland B.V., Mars Food Europe C.V., Wrigley Europe B.V., Direct2Pet B.V., Champion Petfoods Europe B.V. as well as other companies and other legal entities that are designated by the Management as referred to in Article 1 of the Articles of Association and are allowed by the Pension Board as a sponsoring Company in the sense of the Articles of Associations of the Pension Fund.
Contribution	The Company shall pay one thirteenth of the total contribution to the Pension Fund no later than two weeks after the period to which the one thirteenth of the total contribution relates, has ended. The Pension Board shall determine this total contribution on the basis of the Contribution Policy as described in the AFA.
Provision of Data and Information	The Company is obliged to provide the required information complete, correct and on time. The Pension Fund informs the Member in accordance with the requirements of article 21 of the Pension Act.
Reduction or termination of contributions	The Company has the right to reduce or terminate the Company contributions to the Pension Fund in case a major change in circumstances based on article 12 of the Pension Act happens.
Non-payment or late payment of contributions	Within 4 weeks after any failure to pay within the periods, the Pension Fund will issue a written demand to the Company to pay the contributions as quickly as possible. In the event that the Company runs up appears in the payment of contributions amounting to 5% of the total contribution to be received by the Pension Fund and the Pension Fund does not meet the minimum funding requirement prescribed by or pursuant to article 131 of the Pension Act, the Pension Fund shall on a quarterly basis inform the Company works council and the Members.
Adoption and amendment of the pension plan rules	The Company notifies the Pension Fund in writing of any amendment made to the pension agreements. If the Pension Fund agrees to administer the amendment to the pension agreements, the Pension Fund will notify the Company in

	writing. The Company will provide the Pension Fund with all the information.

4.2 Main characteristics Pension Plans

4.2.1 ARP/ASP Pension Plan

The main characteristics of the ARP/ASP Pension Plan are:	
Type of plan	The ARP/ASP Pension Plan consists of the following two modules: **Associate Retirement Plan (ARP)** (In Dutch: *Medewerker Uittredings Plan* or *MUP*) Under this plan, a fixed contribution is added to an administrative pension accrual account each salary period on the member's behalf. The determination of the contribution to be added takes place using the contribution giving period salary, the offset (franchise) and the age-dependent contribution rate applicable at the end of the salary period concerned. **Associate Selection Plan (ASP)** (In Dutch: *Medewerker Selectie Plan* or *MSP*) The ASP is a module according to the principles of a defined contribution plan. The Pension Fund opens an investment account for each member. Contributions are invested for the active member each salary period by means of this investment account.
Membership	Members of any of the Mars Pension Plans are the associates of the Company, whom the Company has registered with the Pension Fund as Members. Members of the ARP/ASP Pension Plan, (a defined contribution plan), are those associates registered by the Company and who entered the Company's service after 31 December 2003 and who are exempted from mandatory membership of the pension plan of the *Stichting Bedrijfstakpensioenfonds voor de Zoetwarenindustrie* (Industry Wide Pension Fund for the Confectionery Industry).
Retirement age	The first day of the month in which the (Former) Member reaches the age of 68.
Pensionable salary	For the ARP/ASP Pension Plan there are three different definitions of pensionable salary: • Contribution giving period salary for the contribution and waiver of premium in case of disability; • Pensionable annual salary for risk cover; • Pensionable salary for Work Disability Pension. As from 1 January 2015, this pensionable salary is capped. The actual pensionable salary is determined on 1 January every year.
Offset (franchise)	The offset for contributions (*franchise voor contributies*) and the offset for risk cover (*franchise voor risicodekkingen*) are adjusted once per year. The offset for contributions by the Consumer Price Index (*CPI-Index alle huishoudens*) but will never be lower than the fiscal minimal

offset. The offset for risk cover by the maximum of the Consumer Price Index (*CPI-index, alle huishoudens*) and the increase of the fiscal minimum allowed offset (*Witteveen franchise*) (but will never be lower than the fiscal minimum offset).

Contribution table

The contribution table of the ARP/ASP plan is as from 1 January 2018 based on a cost-price contribution table, based on 2.5% interest rate and including solvency margin:

Age	ARP Contribution by Mars	ASP Mandatory associate contribution	ASP Maximum voluntary associate contribution	ASP Additional contribution by Mars	Total
15 to 19	7.5%	3.9%	1.4%	1.4%	14.2%
20 to 24	8.3%	3.9%	1.7%	1.7%	15.6%
25 to 29	9.4%	3.9%	2.1%	2.1%	17.5%
30 to 34	11.0%	3.9%	2.3%	2.3%	19.5%
35 to 39	12.3%	3.9%	2.8%	2.8%	21.8%
40 to 44	14.2%	3.9%	3.1%	3.1%	24.3%
45 to 49	15.8%	3.9%	3.6%	3.6%	26.9%
50 to 54	17.8%	3.9%	4.1%	4.1%	29.9%
55 to 59	19.8%	3.9%	4.8%	4.8%	33.3%
60 to 64	21.7%	3.9%	5.7%	5.7%	37.0%
65 to 68	23.7%	3.9%	6.5%	6.5%	40.6%

Because of changes in valuation principles, like the discount rate, solvency loading and mortality rates, it is needed to check yearly whether this contribution table still complies with fiscal law.

Partner's and Orphan's Pension

In case of death before retirement date, the accrued balance reverts to the Pension Fund. The surviving partner, with whom the active Member had a partner relationship at the time of death of the active Member, is

	entitled to a Partner's Pension on a risk basis. This risk-based Partners' Pension amounts to 1.16% of the (capped) pensionable annual salary for risk cover minus the offset for risk cover, for each year of membership that could have been achieved as from 1 January 2015 till the retirement date. For the years of membership before 1 January 2015 the risk-based Partner's Pension amounts to 1.33% of the (uncapped) pensionable annual salary for risk cover minus the offset for risk cover. An active Member's surviving child is entitled to an Orphan's Pension amounting to 20% of the Partner's Pension. The surviving partner, with whom the Former Member had a partner relationship at the time of death of the Former Member, is entitled to convert the accrual balance into an annual benefit with future conditional indexation according to the policy of ARP plan. In case of death after the retirement date, the surviving partner or surviving children are only entitled to Partner's Pension or Orphan's Pension if these survivor benefits have been purchased at retirement date.
Work Disability Pension	If the active Member becomes totally or partially occupationally disabled, the member is entitled to a Work Disability Pension. In case of full and prolonged disability to work, the Work Disability Pension amounts to 75% of the pensionable salary for Work Disability Pension, that exceeds the WIA/WAO Payment Limit. In case of partial disability, the disability benefit will be derived proportionally from "70% of the last applicable pensionable salary for Work Disability Pension". Moreover, pension accrual continues (waiver of premiums) during the period of Work Disability in accordance with the ARP and includes increases of the contribution according to the contribution table of the ARP Pension Plan. In case of total or partial occupational disability, the pension accrual for the account of the Pension Fund will only continue on the basis of the contribution percentages according to the contribution table of the ARP Pension Plan the member made to the Pension Fund during the three periods prior to the period in which the Company continued to pay the member his salary because of sickness.
Investments	ARP is invested in line with the Pension Fund's Investment Policy. For ASP the members have the options to: • Invest in the lifecycle for a fixed pension; • Invest in the lifecycle for a variable pension; • Opt out: meaning decide themselves how the deposited contributions are invested in the ASP Plan (Self Select option). Members will carry the investment risk in all situations. A life-cycle vehicle for a fixed pension will act as the default investment option.
Interest additions and indexation	The balance on the Pension Accrual Account of the ARP Pension Plan is – during active membership – increased by the addition of interest, using the following basic principles:

- Addition of interest commencing on the day on which the addition of the fixed savings amount has occurred and up to and including the day prior to the day on which the balance on the Pension Accrual Account is used to purchase pension benefits or is transferred by the Pension Fund.
- The interest additions occur on a daily basis and in such a manner that the interest additions on an annual basis are maximized to a percentage amounting to ”CPI all households” plus 3% points and minimized to 0%.
- The CPI-index used is the CPI-index for all households as at 1 January and 1 July in any calendar year. This is based on the index figure as published by the CBS for the period September to September prior to 1 January or March to March prior to 1 July in any year.
- The interest addition only takes place if and insofar the financial means of the Pension Fund permit this. The means of the Pension Fund are the actual return made on the investments (in the matching half year period of the year before) plus any ‘retained return active Members’ from previous years when the actual return made on the investments was higher than CPI plus 3% points.
- The ‘retained return active Members’ is expressed in percentage points. Every half year the balance of the ‘retained return active Members’ will be changed with the difference between the actual return made on the investments of the total Mars Pension Fund (excluding the investment accounts of ASP) in the matching half year period of the year before and the actual interest addition for the half year period. The ‘retained return active Members’ can be used to give the interest addition the Mars Pension Fund strives for.
- The maximum addition of interest is 13% on an annual basis.
- No addition of interest takes place if the CPI-index plus 3% points amounts to less than 0%, a negative percentage or if the actual return on the investments plus the additional ‘retained return active Members’ was negative. The difference between 0% and the negative percentage is deducted from the balance of the ‘retained return active Members’, unless the Pension Board decides, after consultation with the Company, that this deduction will not take place.

The balance on the Pension Accrual Account of the ARP Pension Plan is for former Members increased by the addition of interest, using the following basic principles:

- Addition of interest commencing on the day on which the addition of the fixed savings amount has occurred and up to and including the day prior to the day on which the balance on the Pension Accrual Account is used to purchase pension benefits or is transferred by the Fund.
- The interest additions occur on a daily basis and in such a manner that the interest additions on an annual basis are maximized to a percentage amounting to ”CPI all households” plus 3% points and minimized to 0%.
- The CPI-index used is the CPI-index for all households as at 1 January and 1 July in any calendar year. This is based on the index figure as published by the CBS for the period September to

	September prior to 1 January or March to March prior to 1 July in any year. • The interest addition only takes place if and insofar the financial means of the Pension Fund permit this. The means of the Pension Fund are the actual return made on the investments (in the matching half year period of the previous year) plus any 'retained return Former Members' from previous years when the actual return made on the investments was higher than CPI plus 3% points. • The 'retained return former Members' is expressed in percentage points. Every half year the balance of the 'retained return former Members' will be changed with the difference between the actual return made on the investments of the total Mars Pension Fund (excluding the investment accounts of ASP) in the matching half year period of the year before and the actual interest addition for the half year period. The 'retained return former Members' can be used to grant the minimal interest return of 0%. • The maximum addition of interest is 13% on an annual basis. • No addition of interest takes place if the CPI-index plus 3% points amounts to less than 0%, a negative percentage or when the actual return on investments plus the existing 'retained return Former Members' was negative. The difference between 0% and the negative percentage is deducted from subsequent additions of interest to be granted by the Pension Fund, unless the Pension Board decides, after consultation with the Company, that this deduction will not take place. Partner's Pension and Orphans Pensions are indexed according to the indexation policy for the ARP/ASP Pension plan and is the same as the indexation policy of the Final Pay Pension Plan. At retirement the balance of the pension accrual account is converted into a pension benefit. This is also the case when a Former Member passes away. These benefits are indexed according to the indexation policy of the ARP/ASP Pension Plan. This indexation is the same as the indexation policy of the Final Pay Pension Plan.
Associates contribution	The members are not required to pay contributions for the ARP plan. The contributions for the ASP are voluntary (see type of plan).

4.2.2 Final Pay Pension Plan

The main characteristics of the Final Pay Pension Plan are:	
Type of plan	Defined benefit agreement in the form of a final pay pension scheme. The Final Pay Pension Plan provides a Retirement Pension – on the basis of a final pay system – and a Work Disability Pension for members, and a Partner's Pension and Orphan's Pension for the partners and children.
Membership	Members of any of the Mars Pension Plans are the associates of the Company, whom the Company has registered with the Pension Fund as Members. Associates, who entered the Company's service on or before 31 December 2003, are

	members of the Final Pay Pension Plan. No new members can be admitted to the Final Pay Pension Plan.
Retirement age	The first day of the month in which the (Former) Member reaches the age of 68.
Pensionable salary	For the Final Pay Pension Plan only one definition of the pensionable salary is used for the determination of all benefits and is determined on 1 January every year. As from 1 January 2015, this pensionable salary is capped. The actual pensionable salary is determined on 1 January every year.
Offset (franchise)	The offset is annually adjusted by the maximum of the Consumer Price Index (*CPI-index, alle huishoudens*) and the increase of the fiscal minimum allowed offset (*Witteveen franchise*) (but will never be lower than the fiscal minimum offset).
Top-up limit (*excedentgrens*)	The top-up limit of EUR 63,764 (2025) will increase with the same amount as the offset for contributions.
Retirement Pension	The Retirement Pension is derived from the pensionable salary, the offset and the years of service. The retirement pension for each service year amounts to 1.657% of the pensionable salary, minus the offset.
Partner's Pension	The Partner's Pension will be granted to the reported partner of the member and in principle amounts to 70% of the Retirement Pension. In case of death before retirement, it is assumed that the membership would have continued unchanged to the retirement date.
Orphan's Pension	The Orphan's Pension amounts to 20% of the sum of the Partner´s Pension and Additional Partner's Pension in case of death before retirement.
Disability Pension	The Disability Pension is – when occupationally disabled fully and prolonged – in principle equal to 75% of the actual pensionable annual salary (including the holiday payment) plus any shift work supplement, which exceeds the WIA/WAO Payment Limit. In case of partial occupational disability, the Work Disability Pension will be derived proportionally from 70% of the actual annual pensionable salary, etc.
Additional Retirement Pension and Additional Partner's Pension	The Additional Retirement Pension and Additional Partner´s Pension are fixed amounts that are awarded from the commutation of the entitlements from previous pension plans into the new final pay pension plans in 2006, 2014 and 2015 (Final Pay Pension Plan) and 2018.
Indexation actives	For active members the Additional Retirement and Partner´s Pension due to the conversion in 2006 and 2014 are adjusted every year unconditionally by the wage index. The Additional Retirement and Partner's Pension due to the conversion in 2015 and 2018 of active members will be conditionally adjusted by the wage index and this adjustment depends on the financial

	position of the Pension Fund. The Indexation Policy is further described in the AFA.
Indexation inactives	The accrued pension entitlements of inactive members will be conditionally adjusted by the lower of 75% of Consumer Price Index ‘all-households’ (CPI), as published by CBS over the months September versus September of the preceding year and 3%. This adjustment depends on the financial position of the Pension Fund. Missed indexation will be recorded for future catch-up indexing (*inhaalindexatie*). The Indexation Policy is further described in the AFA.
Associates contribution	The members are not required to pay contributions.
Transitional provisions	Transitional provisions are applicable for all members that are transferred from the old pension plans in 2014. For active members the entitlements accrued on the basis of the 2006 Pension Plan, including entitlements from transition schemes, have been commuted using internal value transfers into additional service years for the accrual of the Retirement and Partner´s Pension and into Additional Retirement and Additional Partner´s Pension in the 2014 Pension Plan. For all other members the entitlements accrued on the basis of the legacy pension plans, including entitlements from transition schemes, have been commuted in an actuarial neutral way. In 2015 and 2018, for active members the conversion to the Final Pay Pension Plan resulted into Additional Retirement and Additional Partner’s Pension.

5 INTEGRAL RISK MANAGEMENT

5.1 Objective and framework

As of 1 January 2019 MPF has introduced an Integral Risk Management (IRM) framework that is based on the “Three Lines of Defense” model including the three key function holders as defined in IORP2. The objective of IRM within MPF is to

- provide insight in risks (related to the mission, vision and strategy);
- illustrate the amount of risk that is desirable / necessary;
- provide overview of risks to properly determine priorities;
- offer opportunities to intervene in order to achieve the desired level of risk (for example by introducing or improving control measures).

Important aspects of the risk strategy are governance structure, administrative organization and internal control, integral approach, culture and awareness and compliance.

The Integral Risk Management document provides a more comprehensive description of the IRM governance structure for different risk areas, the IRM policy, the names of the key function holders and persons involved in the execution of the key functions, a more detailed description of tasks and responsibilities of the key functions and a description of aspects such as independence, fit and proper requirements and reporting and notification obligations regarding the key functions.

5.2 IRM governance

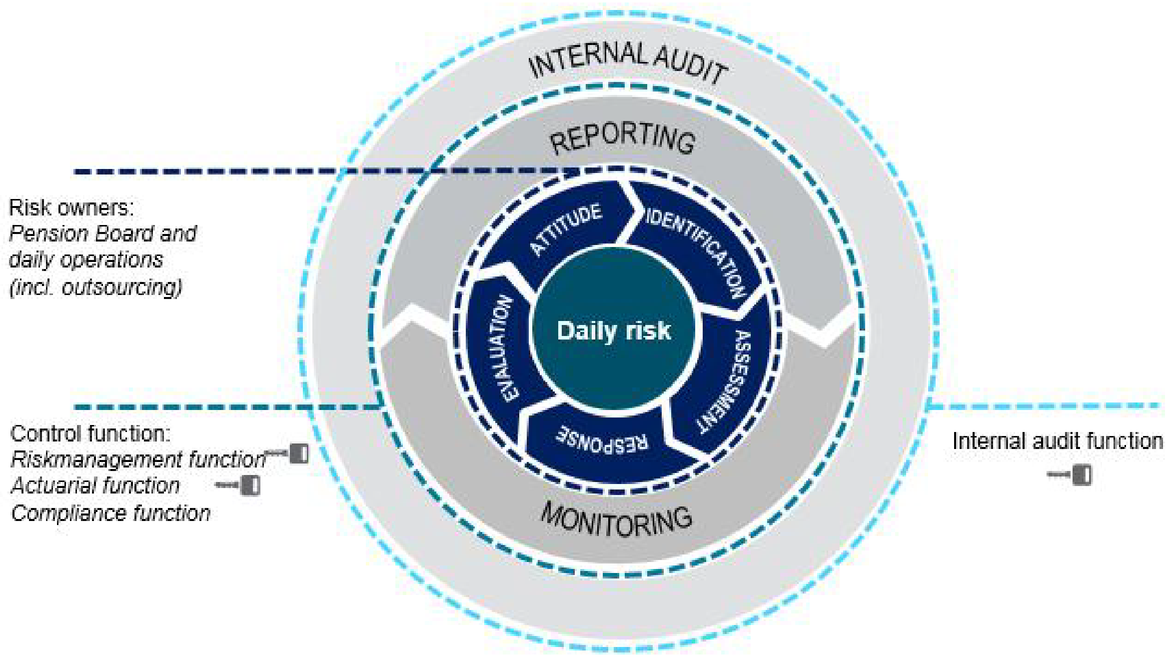
The basis for setting up the IRM governance of MPF is a clear allocation and appropriate segregation of tasks, responsibilities and powers. The Pension Board is ultimately responsible for the appropriate control of all risks MPF is exposed to. This implies the responsibility to structure the organization (governance) and the key functions. The governance structure is based on the so-called 'Three Lines of Defense' principle and makes a distinction between risk owners (first line), control function (second line) and internal audit (third line):

- A risk owner is a role or individual responsible for managing all aspects of a particular risk and the reporting on it. Risk owners are part of the Pension Board and/or the daily operations of the fund. This includes the outsourced administration and asset management, as well as the Pension Office, Mars Investment Team, Mars Benefits Team, the Executive Board and Committees. Together they form the first line.
- The second line of defense is the control function that oversees the risk management and compliance of MPF. The responsibility of the control function must be separated from the responsibility of the risk owner. The activities involved with the control function are covered by several components of internal governance that play a role in the control function with regard to a specific risk area. All together they form the second line. In particular, the key function risk management and the actuarial key function are part of the control function.

  The risk management function assesses, monitors and reports on the risk management system and also has an advisory and initiating role in relation to the risk management framework. Taking into account the size and organization of the fund, the Pension Board has chosen that the role of (acting) key function holder for risk management is assigned to a member of the Pension Board, which also serves as the EU Risk and Compliance manager.
  The responsibility of the actuarial function is, among others, to oversee the calculation of technical provisions. The Pension Board has opted to assign the role of the key holder of the actuarial function to the certifying actuary.
- The internal audit function can periodically evaluate the adequacy and effectiveness of the internal control system. This function is filled in by the key function internal audit and forms the

third line. Taking into account the size and organization of the fund, the Pension Board has chosen that the role of (acting) key function holder is assigned to a member of the Pension Board.

The figure below illustrates the distinction between risk owners, control function and internal audit function.



5.3 IRM policy

The Pension Board is responsible for the implementation of an IRM process that leads to a systematic (and repetitive) risk analysis consisting of the following steps: attitude, identification, assessment, response and evaluation. MPF distinguishes between financial and non-financial risks. The financial risks consist of the financial risks for the Final Pay plan and the financial risks for the ARP/ASP plan. For the identification of the non-financial risks, the risk classification from FIRM, the risk model of supervisor DNB, is used as a basis. This classification is modified in several aspects and applied to the various risk domains of MPF (outsourcing of pension administration, outsourcing of investment management, internal business operations, internal compliance and strategic). During 2019 MPF has performed the initial risk analyses and they are updated once every three years. The last full update has taken place in 2025. Furthermore every quarter the key function risk management reports via an IRM dashboard.

MPF is obliged to carry out and document an own-risk assessment, in a manner that is proportionate to the size, complexity and internal organization of the fund. This own-risk assessment (ORA) shall be performed at least every three years or without delay following any significant change in the risk profile of MPF or of the pension schemes operated by MPF. The last ORA has been approved by the Pension Board in Q4 2023.

6 FINANCIAL MANAGEMENT AND MANAGEMENT TOOLS

This chapter provides a brief outline of the financial structure of the pension fund. The policy document premium and supplement policy describes the financial structure of the pension fund and the related financial management tools.

6.1 Policy Funding Ratio

The policy funding ratio is important in a number of policy areas for determining policy and taking decisions. The pension fund determines the policy funding ratio as follows:

- The policy funding ratio at the end of a month is the average of the current funding ratio (the available assets divided by the liabilities) at the end of the month and the eleven preceding months. The current funding ratio is determined on the basis of both the Final Pay Pension Plan as the ARP/ASP Pension Plan;
- If the board takes a decision that affects the liabilities or the assets, such as adjustment of the valuation principles, this will be incorporated into the funding ratio at the end of the month in which the decision was taken. A decision to grant indexation as of 1 January will be incorporated into the funding ratio as of 31 December or at the end of the month in which the board decision was taken if this is after 1 January. The process description for determining the (policy) funding ratio is described in the Funding Ratio Process document.

6.2 Valuation Principles

The Pension Fund establishes adequate Actuarial Accrued Liabilities for all of its pension liabilities (Actuarial Accrued Liabilities at risk of the Members and Actuarial Accrued Liabilities at risk of the Pension Fund). The valuation method and principles used are explained in more detail in the Valuation Principles document.

The conditional indexation is not part of the pension liabilities.

Every two years, or sooner in case of a significant change in the Pension Fund's situation, the valuation principles are revised when the Pension Board considers this necessary.

6.3 Contribution policy and Indexation policy

Contribution policy

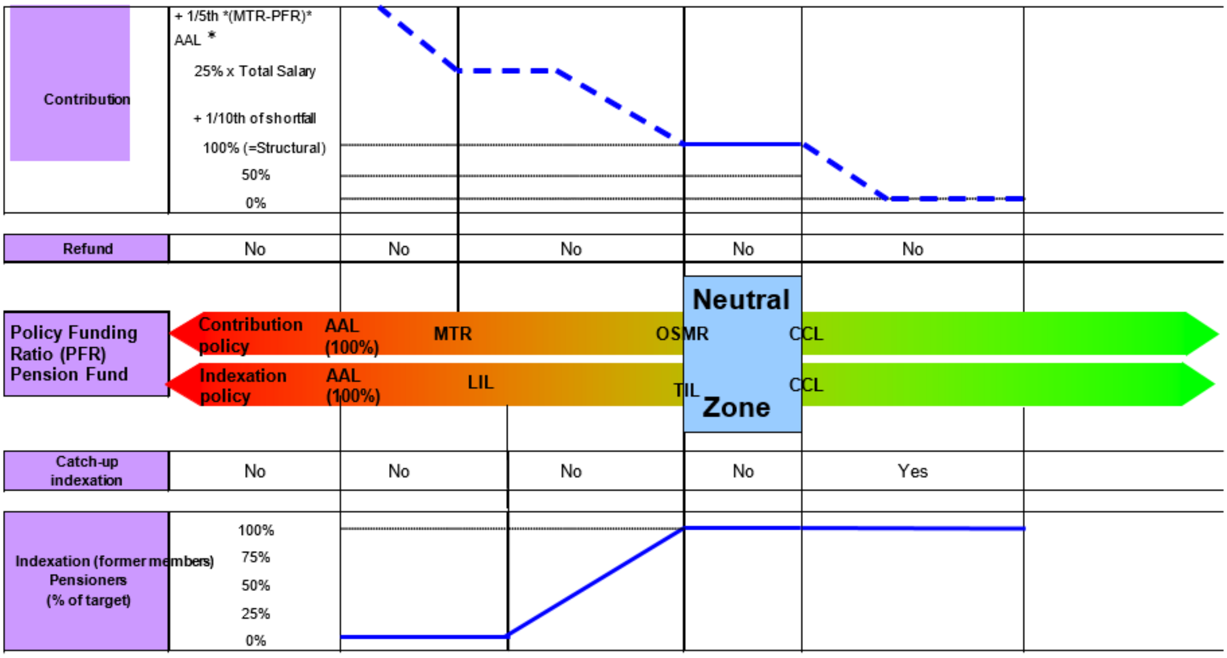
The contribution policy, as a management tool, will be employed depending on the Policy Funding Ratio. The Pension Board can decide to increase or reduce the contribution as identified in the AFA. In doing this, the Pension Board uses the contribution policy rules as described in the AFA, which are schematically shown in the figure below. The Pension Fund's Policy Funding Ratio is the main determinant for this assessment. The contribution policy is set up according to the requirements of the Pensions Act. Using the guiding principles as described in the AFA and included in the figure below, the Pension Board makes a decision concerning the actual contribution. The Pension Board decides by using primarily this guideline, but, if motivated and after consulting with the Company, can deviate from it. In the pre-transition phase, MPF will also consider transition objectives.

Indexation policy

The Pension Board annually determines whether the financial means are sufficient to grant an annual indexation. In this regard, the Pension Board adopts the policy rules that are described in the AFA and schematically shown in the figure below. The Pension Fund's Policy Funding Ratio is the main determinant for this assessment. The indexation policy is set up according to the requirements of the Pensions Act. Using the guiding principles included in these rules, the Pension Board makes a decision concerning the level of the indexation granted. The Pension Board decides in principle by using primarily this guideline, but, if motivated, it can deviate from it. However, the Pension Board can in principle not grant more than the sum of the Target Indexation and catch-up indexation except in exceptional circumstances.

The Pension Board annually determines whether the financial means are sufficient to grant the (additional) annual interest additions of the ARP Plan. The Pension Board decides in principle by using the guideline as described in the AFA, but, if motivated, it can deviate from it.

Schematical overview of contribution and indexation policy
Guiding principle, based on Policy Funding Ratio, for contribution and indexation policy.



* 1/5th of remaining shortage in years 1 to 4 and the remaining shortage in year 5

In situations where TIL exceeds OSMR + 5% there is no neutral zone for the indexation policy.

6.4 Refund policy in case of liquidation of the Pension Fund

In the event of a liquidation of the Pension Fund any surplus remaining after a transfer of all liabilities to another pension provider will be paid back to the Company after the following four matters have been guaranteed.

- All accrued pension entitlements and pension rights are funded.
- Back-logs in Target Indexation for the preceding 10 years will be caught up.
- The reduction of the pension rights, based on Article 134 of the Pensions Act, is fully compensated for the preceding 10 years.
- All expected future Target Indexation is funded.

6.5 Contingency clause

If, despite deployment of all available management tools, a situation of underfunding cannot or is not likely to be eliminated within the predetermined period(s), the Pension Board is authorized to reduce accrued pension entitlements and pension rights (write-down). Benefit reductions can be a very effective measure, but are not deployed as long as the Company is able to honor the Administrative & Financial Agreement.

6.6 Reinsurance

The Pension Fund has reinsured the death-in-service and work disability risks with Zwitserleven as from 1 January 2023 until 31 December 2025. This reinsurance can be seen as a catastrophe-risk-coverage because it is based on stop-loss insurance with a net retention of approximately EUR 4 million which is approximately 250% of the risk premium in the cost-covering contribution (2023). The insurance premium amounts to 4.6% of the risk premium (approximately EUR 80.000 premium for 2023). The risk capital per member is maximized; 2.5 million for the death-in-service risk and 3.5 million for the disability-in-service risk. The maximum liability of Zwitserleven is 6 times the net retention over the entire duration of the contract under normal circumstances. There is a separate maximum for a catastrophe of 100 million per year above the net retention.

As of 1 January 2026 the Pension Fund no longer reinsures the death-in-service and work disability risks.

6.7 Feasibility test

The feasibility test provides insight into the expected pension result at fund level and the risks concerned, given the financial structure of the Pension Fund. The feasibility test is performed in accordance with Article 22 of the Resolution Financial Assessment Framework and the elaborations of Article 30 of the Regulations for the Pensions Act. The assumptions to be used in the feasibility test concerning investment yields, wage and price developments, etc. – parameters - will be determined by the Pension Board prior to the test on the basis of the insights then applicable. In this context, legal requirements and guidelines of DNB for the feasibility test applicable at that time will be observed. Legal requirements are written down in Article 23a of the statutory Resolution Financial Assessment Framework.

Initial Feasibility Test

The Pension Fund has conducted an initial feasibility test, based on the actual financial position of the Pension Fund by 1 January 2018, in order to show that the expected pension result at fund level is sufficiently in line with the expectations about the pension result, taking into account the established lower limit. The initial feasibility test needs to illustrate that:

- The contribution policy is sufficiently realistic and achievable over the test horizon;
- The Pension Fund has sufficient capacity for expected recovery within the recovery plan horizon from the situation that the requirements for the Minimum Technical Reserve (MTR) are met to the situation that the requirements for the Ongoing Solvency Margin Ratio are met; and
- The pension result at fund level in a negative scenario does not deviate too much from the expected pension result at fund level.

The results of the initial feasibility test are that the conditions above are met:

- The contribution policy is sustainable;
- The Pension Fund has sufficient recovery strength; and
- The pension result at fund level in a negative scenario are within the defined limits.

Annual Feasibility Test

The annual feasibility test monitors whether the expected pension result is still consistent with the original expectations, based on the actual financial position of the Pension Fund and the new economic circumstances. The annual feasibility test is conducted to assess whether the expected pension result at fund level is sufficiently in line with the established lower limit and whether the pension result at the Pension Fund level in the negative scenario does not deviate too much from the expected pension result at fund level.

As from 2025, MPF is exempt from reporting the feasibility test because of the intended transition to the new pension system. This follows from the ministerial regulation of 25 April 2025 that was published in the *Staatscourant*.

6.8 Recovery plan

The policies defined in this ABTN show how the Pension Board conducts its financial and other policies, which the Pension Board believes are healthy policies. Nevertheless, the Pension Board may need to take supplementary measures in case the Policy Funding Ratio falls below the OSMR. These supplementary policies are focused on bringing the financial resources up to the required levels, in which the interests of everyone concerned are taken into account. The Pension Board reviews the financial position at least on a monthly basis or more often if exceptional developments in assets or liabilities occur.

If the Policy Funding Ratio is less than the OSMR at the end of a calendar quarter, the Pension Fund will immediately report this to DNB. The Pension Fund will then submit a concrete and feasible recovery plan within three months to DNB, or sooner if required by DNB. This is not required if at the moment that the recovery plan should be submitted, the Policy Funding Ratio complies with Article 132 of the Pensions Act. This recovery plan will ensure that this deficit versus the OSMR based on the long term strategic asset allocation (see section 7) will be eliminated within a period of no more than 10 years, or sooner if required by DNB.
The horizon of the recovery plan is set at the maximum allowed by DNB, because:

- The recovery period is of relatively less relevance for members of the Pension Fund because of the agreed contribution policy and the funding of shortages by the Company.
- For the Company the preferable recovery period is the legal maximum.

The balanced representation of interests of all stakeholders results in a recovery period according to the maximum allowed by DNB.

The financial management tools referred to in sections 6.4 to 6.7 will be employed to improve the financial position.

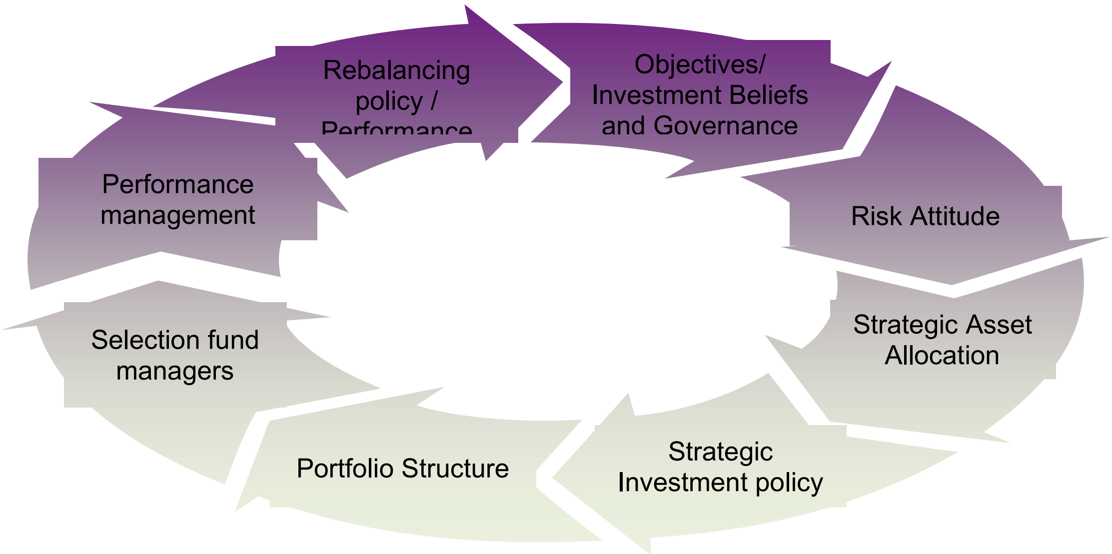
6.9 Financial crisis plan

Pursuant to pension legislation, pension funds must have a financial crisis plan. In this regard, the Pension Board has defined which financial risks for the pension fund are seen that could result in a financial crisis and which management tools are available to deal with such a crisis. A solution direction has been defined for each crisis situation, including an impact analysis for all stakeholders.

The crisis plan is a guideline and provides a framework for solutions in the event of a financial crisis. Of course, the concrete measures in a crisis situation are always geared to the circumstances of that moment. The financial crisis plan is described in more detail in the Financial crisis plan document.

7 INVESTMENT POLICY

The board uses the following cycle in the context of its investment policy:



7.1 Investment Objectives

The Pension Board has established the following investment objectives:
- Protect and improve the funded status of MPF-i.e. the ratio of market value of Plan assets relative to the discounted present value of the projected pension obligations
- Minimize the probability of the funded status of the Plan falling below Target funding ratio 2B (i.e. the level which should enable a balanced transition for all members of the Final Pay Plan and the ability of non-active members to perform a buy out with future indexation of 75% CPI) at the point of conversion to the new pension system.
- Ensure that assets held in the Pension Plans, prospective returns, and contributions from the Company will enable the Pension Fund to pay members' benefits in a timely manner, such that coverage of the Fund's technical provisions is appropriate to expected future benefits payable.
- Maximizing returns from the Pension Fund's assets, subject to the principles of prudent asset management, prudent risk mitigating strategies and risk management, and the incorporation of the fiduciaries' risk tolerances.
- Ensure that the liquidity of the Pension Fund's investment portfolio as a whole is appropriate for the Pension Fund's liabilities.
- Ensure an appropriate degree of risk taking into account the Pension Fund's funding and the Employer covenant.
- Ensure that the Pension Fund follows prudent asset management, risk controls, and compliance with Pension Fund policy and governance documents and applicable laws.

In its practical translation of these Objectives, the following strategic considerations were taken into account;
- Development of an Investment Strategy, including a de-risking plan taking account of the current Benefit Structures. For that, an updated asset and liability modelling (ALM) study iss conducted at minimum every three years, which articulates a risk budget relative to the liabilities, and sets the investment strategy.
- The risk attitude, the strategic asset allocation, the strategic investment benchmark, the process to reach the strategic asset allocation, the investment vehicles allowed, and other guidelines and constraints, together will constitute the strategic investment policy and together will be reflected

in an investment policy statement, a policy implementation document, a statement of investment policy principles and an ESG policy.

7.2 Strategic Investment Policy

Strategic Investment Policy: Final Pay Pension Plan

The strategic investment policy is established approximately every three years on the basis of a full ALM study. The ALM study will take all regulatory risk and funding requirements into account. At the end a broad asset allocation, distinguishing between **return seeking** and **risk reducing** assets, should be arrived at. This will establish the match and intentional mismatch between liabilities and assets. The end result will be a strategic asset allocation that gives strategic portfolio weights for the chosen (sub)-asset classes plus the strategic investment benchmark.

The Pension Board has delegated the planned implementation of the strategic asset allocation to the Investment Committee and the strategic investment advisor. The investment committee has worked with the strategic investment advisor to arrive at a documented implementation plan for the strategic asset allocation, the Investment Policy Statement, which has been ratified by the Pension Board. This document mutually defines the risk profile.

Strategic Investment Policy: ARP/ASP Plan

The contributions in the ARP/ASP Plan are allocated to two modules: the ARP module and the ASP module. Funds in the ARP module are invested in conjunction with the Final Pay Pension Plan, but the return attributed yearly is minimized at 0% and maximized at the CPI-index plus 3% (with a maximum of 13%). This relatively low risk ARP module provides the context in which the strategic asset allocation of the defined contribution ASP module will be determined. The funds in the ASP module are administrated on an individual member level, enabling the Pension Fund to create an asset allocation that is dependent on the age of each of the members. The age dependent asset allocations, or lifecycles, in the ASP module are determined by means of an ALM study.

At retirement members can choose to either buy a fixed annuity or a variable annuity with the accrued capital in the ARP and ASP modules. As this choice constitutes two different liabilities the ALM study contained two lifecycles, one for members who choose a fixed annuity (the default lifecycle) and one for members who choose a variable annuity. The Pension Fund does not provide a variable annuity itself. The Pension Fund does provide a fixed annuity, but only for the ARP plan. This fixed annuity follows the (indexation) policy of the Final Pay plan.

7.3 The Strategic Asset Allocation

The Strategic Asset Allocation: Final Pay Plan

The strategic asset allocation is the result of the ALM study and Investment Policy review that were completed in 2025.

Below is a summary of the strategic asset allocation targets. A detailed version, including bandwidths is included in the Statement of Investment Principles.

	Target allocation
Return Seeking Assets	70%
Cash/Swaps	30%

Also a fixed LDI interest rate hedge target at 80% and an inflation hedge target of 30% (expressed as percentage of economic liability) is in place.

The Strategic Asset Allocation: ARP/ASP Plan

The funds in the ARP module are invested in conjunction with the Final Pay plan.

Funds in the ASP module are invested according to the current lifecycles. The long-term lifecycles aimed at the purchase of either a fixed or a variable annuity are displayed in the Statement of Investment Policy Principles.

The ASP lifecycle aimed at the purchase of a fixed annuity will de-risk in a ten year period from 100% equity to 100% long term bonds three months prior to retirement. The interest rate sensitivity of the combined ARP and ASP modules at retirement is similar to the interest rate sensitivity of the fixed annuity that is to be purchased at retirement in order to reduce interest rate risk for members that are close to retirement.

LAYER 3

8 OVERVIEW OF POLICY DOCUMENTS

Overview of policy documents (fund documents):	
Mission Vision Strategy and Objectives	• Mission, Vision, Strategy
Organisation and internal control	• Articles of Association • Regulations SC • Regulations AC • Pension Board Charter • Remuneration Policy • Integrity policy • Regulations appointments members PB and AC active members and Pension Beneficiaries • Data protection Policy • Privacy Statement • Cookie policy • Outsourcing policy • Complaints regulations • IT Policy and awareness • Business Continuity Management Plan • Incident regulations • Communication Policy • Communication plan • Code of Conduct • Whistleblowers Policy • Fiduciary Code of Conduct • Suitability policy • Proxy document • Data Quality Policy • Policy on correcting errors in the pension administration
AFA and Pension Plans	• Administrative and Financial Agreements (AFA)*) • Plan rules Final pay • Plan rules ARP/ASP • Service Agreement between MPF and Mars Nederland B.V.
Integral Risk Management	• Integral Risk Management policy*) • Charters Key Function Holder Risk, Internal Audit and Actuarial • Compliance Charter
Financial management and management tools	• Financial crisis Plan*) • Reinsurance contract • Valuation Principles*)

Investment policy	• Investment policy Statement*) • ESG Policy • Statement of Investment Policy Principles*) • Charter of the Investment Committee-Part of EIGER

*) Policy documents for the Dutch Central Bank (DNB) as appendix of the ABTN