

Addendum to the Transition Plan for the Mars Netherlands dated 17 February 2025

In 2024, the Social Partners of Mars Netherlands agreed on the new pension scheme, this has been documented in the Transition Plan that was adopted on 17 February 2025. The Transition Plan forms the basis for the new pension scheme and the transition to it. This addendum contains amendments and/or additions to the Transition Plan. These result from actual developments as well as evolving insights.

Change Transition Date

- The Social Partners previously agreed on a transition date of January 1, 2027, as part of the Transition Plan
- The Social Partners now agree to amend this date to 1 January 2028 due to capacity constraints at Blue Sky Group, the Pension Administrator of Mars Pension Fund.

6.3 Future contributions compensation method

In the original compensation paragraph 6.3 “Gross Profit (Plus) compensation method” for the active members in the ARP/ASP scheme, the term *gross profit* is used several times. By means of this addendum, we clarify the term ‘gross profit’ in such paragraph.

Gross Profit is a term used by the legislator for a mandatory transition effect comparison that must be published in transition plans where a transition takes place from and to a pure DC arrangement. This is applicable in flexible contribution plans (FPR) without any form of risk sharing between members.

In the case of agreed compensation arrangements as part of the transition, the Pensions Act prescribes that adequate compensation should be provided, but it does not prescribe a specific form for its implementation.

The use of the term *gross profit* in paragraph 6.3 could imply that the statutory gross profit methodology will be applied as part of the Transition Plan. However, that is not the case. While the general calculation approach is followed, there are specific differences in the calculation on certain elements. In this context, it would be more accurate to refer to the method as the “future contribution compensation method” rather than ‘gross profit’.

The insights that have been given remain unchanged based on the economic assumptions that were applicable at the time the transition plan was drafted.

The compensation principles are set out fully in the Transition Plan. Summarized, the main principles used in the compensation methodology are listed below:

- The compensation is determined by the total sum of the calculated difference in present values of the future contributions in the former and the new plan;
- The present values are calculated with the actual DNB interest rate at the moment of the calculation of the compensation;
- Offset, maximum pensionable salary and members salary only increase with general wage inflation. No additional / individual salary increase is assumed;
- No withdrawal rates and mortality rates are assumed, thus all employees are assumed to remain at the company until their retirement age.

These compensation principles are considered to be balanced, since (1) the pensions of the ARP/ASP members (including the compensation) shall be higher on average in the new system than in the old system on the basis of the real weighted benefit method and (2) individual salary increases are included in the real weighted benefit method.