



Pensioenfonds BP OFP

Defined Contribution Pension Plan

MEMBER'S BOOKLET



NETHERLANDS - GROSS PLAN

EXCEDENT PENSION

PREPENSION

VOLUNTARY SAVINGS



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Introduction

Dear Member,

As you are participating in the Gross Plan of the Defined Contribution Pension Plan sponsored by your Employer (referred to as the **DC Plan** in this booklet), this booklet provides information on how the pension arrangement works, how your contributions are invested and the choices you can make on investing your accumulated pension savings. It also provides answers to most common questions asked by members.

Members who are in the Excedent Pension Plan, Prepension Plan or Voluntary Savings Plan before July 2016 automatically become a member of the **DC Plan**. This plan is closed for new members who joined BP after July 2016. Starting from July 2016, employees are requested to transfer the gross pension rights accrued within the former pension institution for a Pensionable Salary above the Fiscal Threshold in order to join the **DC Plan**.

Members participating in the **DC Plan** can save for their retirement so as to buy an annuity at retirement age. The **DC Plan** is a defined contribution arrangement and is designed to give you flexibility in choosing how to invest your contributions in line with your risk attitude and your future goals. Your contributions may be invested according to the default Lifecycle Strategy or according to your personal selection. Your pension savings accumulated at retirement will be used to purchase a pension (also known as an annuity) with an insurance company or another pension provider.

Any Queries?

Should you require further information, please submit your query in English to the Administrator by using the dedicated function available within your Personal Account in the **DC Plan Website** (www.xbbp.eu) or by sending an email to bp.ofp.helpdesk@previnet.it.

Otherwise, should you prefer to communicate in your own language, please refer to your local Employer.

Looking For Documents?

Within your reserved area in the **DC Plan Website** (www.xbbp.eu) you will find:

- This Booklet;
- Pension Plan Rules 2015.

Explanation Of Important Terms Used In This Booklet

- 🍃 **OFP BP Pensioenfonds** ("OFP") is a pension vehicle established by BP, based in Belgium, to facilitate BP employees saving for their retirement.
- 🍃 **Administrator** of the **DC Plan** is Previnet SpA, a company specialising in outsourcing solutions based in Italy, providing administration and information-technology services to pension institutions and insurance companies.
- 🍃 **Employer** refers to *BP Raffinaderij Rotterdam BV* (email contact: hrservicesBPRR@bp.com) or *BP Europa SE – BP Nederland* (email contact: hrservicesBPNL@bp.com).
- 🍃 **Pension Plan Rules 2015** are the legal rules which govern the **DC Plan**. In case of conflict between this booklet and the provisions of the Pension Plan Rules 2015, the Pension Plan Rules 2015 prevail.
- 🍃 **Dutch Management Committee** is made up of employer, employee and pensioner representatives associated with the **DC Plan**. The committee provides input to the OFP on matters concerning the **DC Plan**, and it helps the OFP to oversee the management of the **DC Plan** in the Netherlands.
- 🍃 **DC Plan Website** is the web portal designed for use by members of the **DC Plan** (weblink: www.xbbp.eu). It contains a wide range of information including your accumulated pension savings, investment strategy applied to your contributions and accumulated balance, investment funds, risk appetite and official documentation. The portal is maintained and updated by the Administrator.
- 🍃 **Dutch Section Website** is a web portal (www.pensioenfondsbp.nl) dedicated to members of the pension plans in, and contains information and documents relating to, the Dutch Section of the OFP. The portal is maintained and updated by the legal representative of OFP BP Pensioenfonds in the Netherlands.
- 🍃 **Personal Account** is a personal record kept for each individual member which shows the financial information and investment details relating to their participation in the **DC Plan**.
- 🍃 **Pensionable Salary** comprises the annual basic salary, plus any shift allowance, holiday pay and 13th month pay payable in a year.
- 🍃 **Fiscal Threshold** is the legal maximum pensionable gross annual salary specified by the Dutch fiscal and pension laws which is adjusted annually. The Fiscal Threshold applicable for 2018 equals EUR 105,075.00.
- 🍃 **Deferred Member** is someone who has left their employment for any reason and has not transferred but kept their accumulated pension savings in the **DC Plan**.

2 Overview

What Is Your Personal Account?

Your total pension savings built up within the **DC Plan**, monthly contributions (which are calculated as a percentage of your Pensionable Salary), inward transfers and investment gains or losses are recorded in your Personal Account. If you and your Employer are contributing to the **DC Plan**, the contributions are credited to your Personal Account and invested according to your chosen investment strategy, or the default Lifecycle Annuity Pension Strategy if you do not make a choice. It is highly recommended that you monitor the progress of your Personal Account regularly and to adjust your investment strategy in line with your risk attitude and future retirement goals. More information on investment options available to members are set out in the next few pages.

Remember

Before changing your investment strategy, please complete the risk questionnaire to determine your risk attitude. Should you need further information, please refer to the investment documentation available within your reserved area of the **DC Plan Website**.

Leaving Your Employer Before Retirement Age

In case of termination of your employment before retirement age, you will continue to participate in the **DC Plan** as a Deferred Member. All pension savings built up in your Personal Account will be maintained within the **DC Plan** and invested according to your chosen investment strategy, or the default Lifecycle Annuity Pension Strategy if you did not make a choice. Alternatively, you may transfer your Personal Account balance to another pension institution sponsored by your new employer.

At Retirement Age

On reaching retirement age, your accumulated pension savings within the **DC Plan** will be used to purchase an annuity from an insurance company or another annuity provider based in the Netherlands or in Belgium.

3 Investment

Investment Funds

All contributions and inward transfers paid to the **DC Plan** are invested according to your chosen investment strategy (which can be the **Self-Select** or the **Lifecycle Variable Pension** strategy) or the default **Lifecycle Annuity Pension** strategy if you do not make a choice. Both the default Lifecycle Annuity Pension Strategy and your personal investment options are constructed from a set of investment funds made available by the OFP.

What Is An Investment Fund And How Does It Work?

An investment fund is an investment vehicle, managed by a professional fund manager, that pooled money from numerous investors which invests in a specific type of assets, or a combination of them (such as shares and bonds). The investment funds made available by the OFP for the **DC Plan** are grouped in three main categories:

- Equity investment funds;
- Bond investment funds;
- Cash investment funds.

By investing in an investment fund, you will be buying a certain amount of units in that fund at the price the units are trading in the market at that time. Due to market fluctuation and performance of the underlying assets, the price of units in an investment fund will fluctuate and the value of your investment will change accordingly.

Keywords

- 🍃 **Equity investment funds** invest in shares quoted on stock exchanges. Usually the funds are labelled according to the type of markets they invest in (e.g. European equities, Emerging Markets equities). Returns from equities over the long term is likely to be higher than other asset classes, but equities have a higher risk and volatility compared to other asset classes.
- 🍃 **Bond investment funds** invest in bonds which are loans to companies, governments and other entities. Investors in bonds receive periodic interests from the bonds and pay-back of the full capital if the bonds are held to maturity, which are often different for each bond. Bonds are less risky than equities, but their expected returns are lower than equities. On the other hand, bonds are likely to outperform cash investments over the long term, but they are riskier than cash.
- 🍃 **Cash investment funds** invest in cash deposits and short-term investment instruments which have low volatility. Generally, cash investments have a high level of security in preserving the invested capital while earning market rates of interest. On the other hand, interests earned from cash investments may be lower than the rate of inflation thereby eroding the purchasing power of the capital invested. Expected returns from cash investments over the long term are lower than other types of investment funds.

Investment Of Contributions: Lifecycle Annuity Pension, Lifecycle Variable Pension Or Self-Select Strategy?

Unless a member chooses their own investment strategy, all new members participating in the **DC Plan** are assigned with the default **Lifecycle Annuity Pension** strategy. The default **Lifecycle Annuity Pension** strategy is designed by the Board of Directors of OFP BP Pensioenfondsen in conjunction with the Dutch Management Committee and advice from investment consultants; the strategy gradually adjusts the asset allocation from risky to less risky assets as the member approaches their Target Retirement Date. The **Lifecycle Annuity Pension** strategy is suitable for members not wishing to periodically adjust their portfolio and for those not fully confident in making their own investment decisions. In case you would prefer to invest according to the lifecycle investment approach but different to the default **Lifecycle Annuity Pension** strategy, the **Lifecycle Variable Pension** strategy is available for selection at any time by accessing the **DC Plan Website**. This alternative lifecycle strategy is developed for members who are planning to buy a variable annuity when they retire. A variable annuity will most likely result in a higher annuity in the first year of retirement but will be fluctuating after that depending on investment results. If you wish to actively manage your pension investments and set your own investment strategy, you may change your investment strategy at any time by accessing the **DC Plan Website** and select your own asset allocation. You will be able to change the way your future contributions (if any) are invested or adjust the asset allocation of your current portfolio. The risk questionnaire, available within the same web portal, will guide you in your choice of the investment funds available, taking account of your risk appetite and your future retirement goals.

Remember


Before changing your investment strategy, please complete the risk questionnaire to determine your risk attitude. Should you need further information, please refer to the investment documentation available within your reserved area of the **DC Plan Website**.

Looking For More Information On Investments Within The DC Plan?

Within the **DC Plan Website** (www.xbbp.eu) you can access:

- detailed information relating to the default Lifecycle Annuity Pension Strategy;
- the full list of investment funds and the alternative Lifecycle Variable Annuity Strategy available to members;
- monthly factsheets and other official documents showing the historic performance and profile of each investment fund;
- historical prices for each investment fund;
- news and official communications released by fund managers and the Board of Directors of OFP BP Pensioenfondsen.

Keywords

 **Target Retirement Date (TRD)** is the date you plan to retire, which may differ from the normal retirement date specified in your employment contract with your employer. The TRD is used solely for operating the lifecycle strategies and it determines when a member's investment allocation will start to re-allocate from equities to bonds and cash. If you are in a lifecycle strategy, your investment allocation will be affected if you choose an earlier or later TRD compared to the normal retirement date. If you do not specify a retirement date, the default TRD applied to the lifecycle strategies is the normal retirement date as specified in your employment contract with your employer. However, if you are planning to take early or late retirement, it is highly recommended that you adjust your TDR so that the lifecycle strategies are aligned with your preferred retirement date.

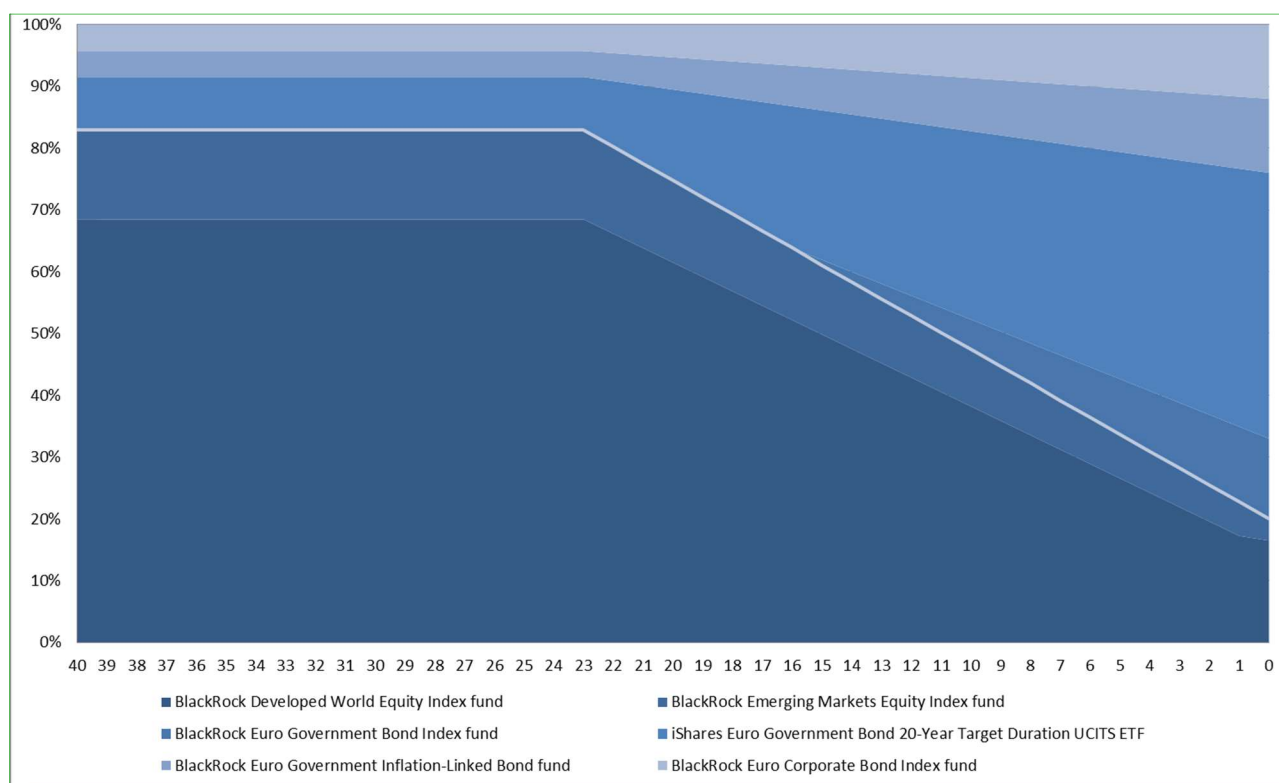
Administration And Investment Management Expenses

In line with the Pension Plan Rules 2015, each member is charged 0.28% per annum of their Personal Account value to cover the administration and investment management costs of the **DC Plan**. The annual charge is calculated quarterly and deducted in quarterly instalments from your Personal Account.

Lifecycle Annuity Pension Strategy

The **Lifecycle Annuity Pension** strategy is an investment strategy that combines the investment funds available within the **DC Plan** with the aim of growing the capital invested during the early part of your working life, while adjusting the asset allocation gradually to reduce the investment risk as you approach retirement age. Initially, when retirement is quite far away and you have more scope to take risk, your investments will contain more risky investment funds. Progressively as you get closer to your target retirement date, your investments are re-allocated to less risky investment funds that invest in bonds and cash; this adjustment process continues until you reach your target retirement date. All adjustments to the asset allocation are automatically performed and no action is required from you. The Administrator is responsible for rebalancing your Personal Account periodically to align your portfolio with the asset allocation according to the **Lifecycle Annuity Pension** strategy.

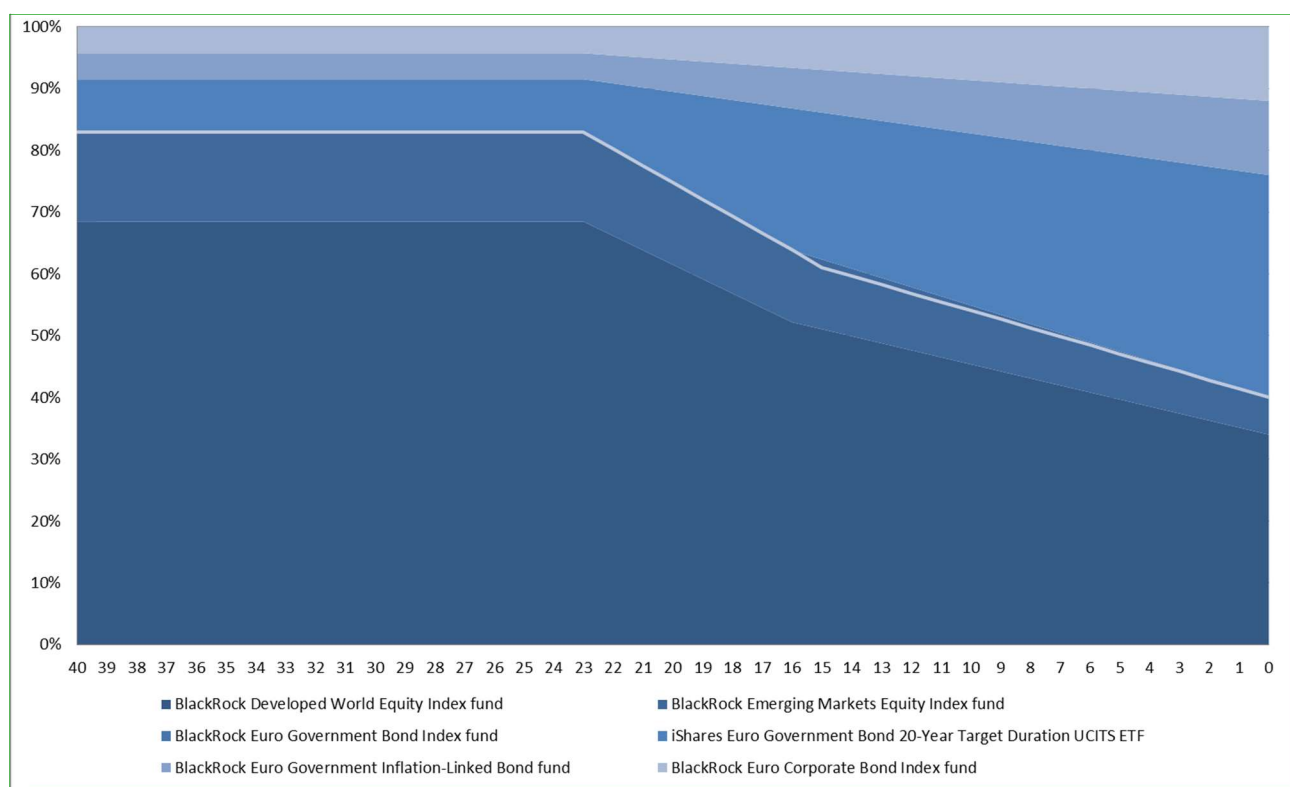
The Board of Directors of OFP BP Pensioenfond, in consultation with the Employer and the Dutch Management Committee, may modify the **Lifecycle Annuity Pension** strategy to ensure it remains appropriate. Official communications will be released in advance to inform members about such changes.



Lifecycle Variable Pension Strategy

The **Lifecycle Variable Pension** strategy is an investment which combines the investment funds available within the **DC Plan** with the aim of growing the capital invested during the early part of your working life, while adjusting the asset allocation gradually to reduce the investment risk as you approach retirement age. This lifecycle differs from the Lifecycle Annuity Pension strategy because it is designed to continue to invest after the pension date. Initially, when retirement is quite far away and you have more scope to take risk, your investments will contain more risky investment funds. Progressively as you get closer to your target retirement date, your investments are re-allocated to less risky investment funds that invest in bonds and cash; this adjustment process continues until you reach your target retirement date. All adjustments to the asset allocation are automatically performed and no action is required from you. The Administrator is responsible for rebalancing your Personal Account periodically to align your portfolio with the asset allocation according to the **Lifecycle Variable Pension** strategy.

The Board of Directors of OFP BP Pensioenfond, in consultation with the Employer and the Dutch Management Committee, may modify the **Lifecycle Variable Pension** strategy to ensure it remains appropriate. Official communications will be released in advance to inform members about such changes. Below is the asset allocation of the new **Lifecycle Variable Pension** Strategy.



Self-Select Strategy

The **Self-Select** strategy allows you to set your own investment strategy. You may change the way your current portfolio and future contributions are invested at any time by accessing the **DC Plan Website** and change the investment strategy that is being applied. You will be able to choose any of the investment funds available within the **DC Plan** made available by the OFP and combine them in varying proportions according to your preference, risk appetite and future retirement goals. It is mandatory to complete the risk questionnaire first (which is available on the **DC Plan Website**) in order to determine your attitude on taking investment risk in relation to saving for your retirement.

After completing your risk profile, you can select your own investment strategy by using the investment funds available. Please read the fund factsheets released periodically by the fund managers and ensure you have a good understanding of the investment funds in which you wish to invest.

Please be aware that by opting for a **Self-Select** strategy, your investments can be automatically rebalanced periodically to your chosen level by the Administrator; should you wish to make use of this facility you can select this option on the **DC Plan Website**. The Administrator will rebalance your Personal Account at 6-monthly intervals (at the end of June and December) to align your portfolio with the chosen asset allocation, and no action is required from you. In case the rebalancing option for the **Self-Select** strategy has not been activated, the Administrator will not perform any adjustments to align your portfolio to your chosen asset allocation.

It is highly recommended that you monitor the progression of your Personal Account on a regular basis in order that you can take appropriate actions and adjust your investment strategy when needed.

The Board of Directors of OFP BP Pensioenfondsen regularly monitors the performance of each fund offered to members of the **DC Plan** and may, in consultation with the Employer and the Dutch Management Committee, change the investment funds offered when appropriate. Official communications will be released in advance to inform you about such changes.

Investment Fund	Reporting Currency	Type	Style
iShares Developed World Index Fund *	EUR	Equity	Passive
iShares Emerging Markets Index Fund *	EUR	Equity	Passive
iShares Europe Index Fund	EUR	Equity	Passive
iShares Euro Credit Bond Index Fund	EUR	Bond	Passive
iShares Euro Government Bond Index Fund	EUR	Bond	Passive
iShares Euro Government Bond 20-Year Target Duration UCITS ETF	EUR	Bond	Passive
iShares Euro Government Inflation-Linked Bond Index Fund	EUR	Bond	Passive
BlackRock Institutional Euro Liquidity Fund	EUR	Cash	Passive

* The base currency of these funds is non-Euro and the funds are subject to currency risk

4 Retirement

When?

You are expected to retire when you reach the Normal Retirement Date according to your employment contract with your employer. Specifically, your Normal Retirement Date is the first day of the month following the month in which you reach the age of 68. You are entitled to apply for early retirement in accordance with the Pension Plan Rules 2015 and local regulations. However, be aware that your pension savings may be affected by your decision which could impact your final pension benefit due to lower total contributions paid into your Personal Account and less time for your pension investments to grow.

Final Benefit

Upon retiring, your accumulated pension savings within your Personal Account will be transferred to an insurance company or another pension provider of your choice to purchase an annuity, in compliance with Dutch fiscal legislation and the provisions of the Pension Plan Rules 2015. When the transfer is completed, your participation in the **DC Plan** will cease.

You have a pre-defined timeframe in which to shop for an insurance company or other annuity provider of your choice. If you do not make a choice within the time allowed, the accumulated value in your Pension Account will be transferred to the default insurance company selected by the Board of Directors of OFP BP Pensioenfondsen to purchase an annuity for you.

Annuities Explained



An annuity is basically an annual retirement income that will last for the rest of your life. The amount of annuity (or annual income) that you will receive is influenced by a number of factors including the value of your Personal Account, the level of market interest rates at the time, your age at retirement, expected future inflation and the type of annuity that you wish to purchase. Two common types of annuities are fixed annuities and variable annuities.

When you buy a fixed annuity with an insurance company or other annuity providers, you are entering into a legal contract with the insurance company (or another annuity provider) to exchange the money you have saved in your Personal Account for a guaranteed annual income for the rest of your life. If you prefer to continue to invest your pension savings after retirement, you can exchange the money you have saved for a variable annual income (a variable annuity) for the rest of your life. A variable annuity differs from a fixed annuity in that it does not guarantee the amount of the annual income, instead the annual income is linked to the performance of the invested assets.

Remember

Before selecting an annuity provider and the type of annuity, please consider your overall financial situation and your future expectations and goals. Please be aware that your decision may affect the amount of annuity that you will receive and the terms of the annuity cannot be changed afterwards.

Key information

-  Transfer of Personal Account balance to an insurance company or annuity provider will be made in Euro.
-  Transfers of Personal Account balance to an insurance company or annuity provider in other countries may be subject to local taxes.



Leaving Before Retirement

Termination Of Employment

When your employment contract with your Employer terminates before your Normal Retirement Date, you will become a Deferred Member of the **DC Plan**. No contributions are credited anymore and the accumulated value in your Personal Account will be maintained by the OFP and kept invested according to your investment strategy selection.

As a Deferred Member you are entitled to:

- keep your pension savings within the **DC Plan** until retirement.
- transfer your pension savings to another pension institution sponsored by your new employer, if permitted by local regulations and tax legislation.
- commute your pension savings into a lump sum payment (applicable only in case the projected retirement benefit is less than the legal commutation amount).

Remember

Commutation by the OFP is possible two years after your termination date, unless you have already requested a transfer to another pension institution. If you reach your retirement date within the two-year period, your commuted amount will be paid at your retirement.

In case you decide to keep your pension savings within the **DC Plan** as a Deferred Member, your assets will remain invested according to the investment strategy applicable at the date of termination. If a lifecycle strategy is used, your investments will be progressively re-allocated between the investment funds as you approach retirement age. You may change your investment strategy and the way your assets are invested at any time by accessing the **DC Plan Website** and select a different lifecycle or Self-Select investment strategy option. Before performing any changes, you are required to complete the risk questionnaire to assess your attitude to risk.

Remember

Before changing your investment strategy, please complete the risk questionnaire to determine your attitude to risk. Please be aware that your selected investment strategy may affect the value of your investments. Should you need further information, please refer to the investment documentation available within your reserved area of the **DC Plan Website**.

6 Death

Death Before Retirement

What happens to your pension savings in case you die before retirement is strictly linked to the Employer you are working for and the pension plan you are participating in.

Employer	Pension Plan	What happens?
BP Europa SE - BP Nederland	<ul style="list-style-type: none"> • Excedent Pension • Prepension 	Your accumulated pension savings in the DC Plan will not be paid to your heirs but will be kept within the DC Plan , in accordance with the Pension Plan Rules 2015, to provide a lifelong partner's pension, temporary partner's pension or orphan's pension. If you have no surviving partner or orphan(s), the amount will be released to the OFP BP Pensioenfondsen.
BP Europa SE - BP Nederland	<ul style="list-style-type: none"> • Voluntary Savings 	Your accumulated pension savings in the DC Plan will be transferred to an insurance company chosen by your spouse or orphan(s) to purchase an annuity as partner's pension or orphan's pension. If no choice is expressed by your surviving spouse or orphan(s) within 6 months after your death, your accumulated pension savings will be transferred to an insurance company selected by the Board of Directors of OFP BP Pensioenfondsen to purchase an annuity for your surviving spouse or orphan(s). If there is no surviving partner or orphan, the balance in your Personal Account will be released to the OFP BP Pensioenfondsen.
BP Europa SE - BP Nederland (former employees)	<ul style="list-style-type: none"> • Excedent Pension • Prepension • Voluntary Savings 	Your accumulated pension savings in the DC Plan will be transferred to an insurance company chosen by your spouse or orphan(s) to purchase an annuity as partner's pension or orphan's pension. If no choice is expressed by your surviving spouse or orphan(s) within 6 months after your death, your accumulated pension savings will be transferred to an insurance company selected by the Board of Directors of OFP BP Pensioenfondsen to purchase an annuity for your surviving spouse or orphan(s). If there is no surviving partner or orphan, the balance in your Personal Account will be released to the OFP BP Pensioenfondsen.
BP Raffinaderij Rotterdam BV (all employees)	<ul style="list-style-type: none"> • Excedent Pension • Voluntary Savings 	Your accumulated pension savings in the DC Plan will be transferred to an insurance company chosen by your spouse or orphan(s) to purchase an annuity as partner's pension or orphan's pension. If no choice is expressed by your surviving spouse or orphan(s) within 6 months after your death, your accumulated pension savings will be transferred to an insurance company selected by the Board of Directors of OFP BP Pensioenfondsen to purchase an annuity for your surviving spouse or orphan(s). If there is no surviving partner or orphan, the balance in your Personal Account will be released to the OFP BP Pensioenfondsen.

Remember

Should you need further information, please refer to the Pension Plan Rules 2015 available within your reserved area of the **DC Plan Website**.

