

ABTN	Actuarial and Operating Memorandum. A memorandum that sets out the policy observed by the fund on all relevant subjects.
A-Factor	Indication of the pension increases over a specific year. The A-factor is shown on the Uniform Pension Statement (UPO, see below) which is sent each year to all members. The A-factor can be used to determine how much annuity premium can be deducted from income tax by a member wishing to build up additional Retirement Pension by means of an annuity insurance.
AFM	The Dutch Authority for the Financial Markets, the authority responsible for the conduct of and the provision of information by pension funds and other organisations.
Commutation	The accrued pension is paid out in a lump sum prior to the retirement date instead of in (monthly) payments starting on the retirement date. This can only be done if upon commencement the pension amounts to no more than 503.24 Euros (2021) annually.
Anw	Surviving Dependants Act. In the event of death, this is the legal basic provision for dependants residing in the Netherlands. Not everyone is eligible for Anw given that it is dependent on the age, family situation and the income of the dependant(s). Anw is paid out until the partner of the deceased person reaches the age of 65 or if he/she (re)marries, enters into a civil partnership or starts to cohabit. See the website of the Social Insurance Bank: www.svb.nl .
AOW	General Old Age Pensions Act. This is a basic pension for all persons who have resided and/or worked in the Netherlands. AOW commences at the age of 65 and is paid out for as long as the recipient lives. The amount received in AOW depends on marital status, family situation and the age and income of a partner (if any). The pension is lower if a person has not resided/worked in the Netherlands continuously between the ages of 15 and 65. See the website of the Social Insurance Bank: www.svb.nl
Invalidity pension	If after a two-year period of sickness a member is declared 80-100% disabled and leaves his/her work, then he/she is entitled to Occupational Disability Pension on the basis of the Work and Income According to Labour Capacity Act (WIA). The pension fund also pays out a Disability Pension of 70% of the pensionable salary, including any bonuses, that is above the income ceiling set out in the WIA.
Return on investments	The return is the yield from capital over a specific period, expressed as a percentage of that capital.
Special Partner's Pension	That part of the Partner's Pension to which the former partner is entitled. This is calculated on the number of membership years up to the date on which the divorce, termination of civil partnership or cohabitation was finalised. The special Partner's Pension is paid out as of the date of the (former) member's or retired person's death.
Compliance officer	An independent supervisory official who assesses whether the pension fund's Code of Conduct and/or laws and regulations are observed by the Board, the staff and external parties of the pension fund.
Members Council	A body of the pension fund that advises the Board, both requested and unsolicited, on matters relating to the pension fund.
Funding ratio	The funding ratio is indicative of the pension fund's financial situation. It is the ratio between the fund's assets and the pension commitments. A

	funding ratio of 100% signifies that the assets are equal to the pension commitments. The higher the funding ratio, the healthier the fund's finances.
DNB	De Nederlandsche Bank. A body that provides (prudential) supervision to financial institutions. This includes: supervision focused on promoting the financial stability of pension funds and other organisations.
FTK	Financial Review Framework Policy regulations drawn up by DNB for assessing the financial position of a pension fund.
Offset	That part of the salary not taken into account when calculating the pension and contributions given that the AOW covers this part of income from pension. You do not pay pension contributions for this and therefore no pension is accrued.
FVP	Foundation for the Continuation of Pension Insurance. The FVP contributes towards the pension of those members who (prior to 2011) became unemployed on or after their 40 th birthday for as long as they receive unemployment benefit (WW). A maximum is fixed on this contribution. See also the website: http://www.svb.nl/int/nl/fvp/
Code of Conduct	A document setting out the rules and regulations for preventing a conflict of interests between the business interests and private interests of Board members or (external) personnel of the pension fund and the misuse of confidential information.
Indexed average-pay scheme	A pension scheme in which the (attainable) sum of the Retirement Pension and Partner's Pension is based on the average earnings during your period of (former) membership in the Heineken Pension Scheme. The accrued Retirement Pension and Partner's Pension are subsequently increased conditionally. See also indexation compensation.
Former member	A former employee with an accrued pension entitlement whose membership is terminated. Also called a 'deferred pensioner'.
Governance	The system of responsibilities of all parties involved in managing the fund. The way in which the pension fund is organised (structure) and how responsibilities are executed (processes).
Recovery plan	A plan of action drawn up by a pension fund that focuses on a recovery of the funding deficit (short-term recovery plan) or the shortfall of reserves (long-term recovery plan).
Indexation policy	See indexation compensation.
Cost-effective contribution	A term used in the financial review framework. This is the contribution needed to meet the unconditional and – should the occasion arise – conditional components of the pension agreement in that year and for the longer term. In brief, this contribution comprises the required actuarial contribution for the purchase of the unconditional component of the pension commitments arising from the pension agreement, a supplement for solvency, a supplement for implementation costs and the actuarial contribution required for the conditional component of the pension agreement.
Socially Responsible Investing	This is a form of investing in which the investor takes into account the consequences for mankind and the environment.

Dependants	The (former) partner and the children who according to the pension scheme rules and regulations are entitled to receive pension after the death of the (former) member or retired person.
Life expectancy tables	Statistics overview that includes the life expectancy per age of a specific group of people. These tables are drawn up by the Actuariel Genootschap (Actuarial Society of the Netherlands).
Pension accrual percentage	Your pension is accrued every year in stages. The accrual percentage is the percentage of the pension basis (pensionable salary - offset) accrued per year.
Pensionable salary	Pensionable salary is explained in the pension scheme Rules and Regulations. It relates to the salary over which a member can accrue pension. However, the member only accrues pension over the pension basis.
Pension basis	This is the pensionable salary less the offset.
Pensions Register	A register jointly set up by the pension providers and the Social Insurance Bank. This register makes it possible for citizens to obtain a complete overview of all pension funds and pension insurers in collective schemes, accrued pension entitlements, plus AOW payments.
Pension scheme Rules and Regulations	This document sets out the pension scheme Rules and Regulations. The pension scheme Rules and Regulations is the legal basis from which the (former) members and persons entitled to a pension derive their entitlements and benefit payments governed by those Rules and Regulations.
Pension equalization	The division of Retirement Pension in the event of a divorce granted in or after 1995 is laid down in the Equalization of Pension Rights in the Event of a Divorce Act. The ex-partner is then entitled to half the Retirement Pension accrued by the (former) member during the marriage or civil partnership. In the case of a (former) member, this pension commences on the (former) member's date of retirement.
Pension assets	The pension assets of the Heineken Pension Fund equal the assets at current value less the foundation capital and the various creditors and other liabilities. These pension assets serve to cover the commitments of the Heineken Pension Fund.
Pension commitments	The pension commitments of the fund is the value of all pension entitlements and rights accrued by (former) members and persons entitled to a pension, i.e. everything the fund will have to pay out in the future.
Contribution coverage ratio	The contribution coverage ratio is equal to the pension assets minus the investment reserve divided by the provision for pension commitments.
Non-contributory pension entitlement	When membership in a pension scheme ends, other than due to the member's death or his/her reaching retirement age, the former member is entitled to Retirement, Partner's and Orphan's Pension (if applicable) without the need to pay the relevant contributions. These pension entitlements are not accrued further but are still conditionally increased in accordance with the indexation policy.
Real value	The financial sum for which an asset can be traded or a commitment settled between independent parties who are well informed on the matter and are willing to conclude a transaction.
(Actuarial) interest	To be able to determine the current value of (future) pension commitments it is essential to make a (cautious) speculation of the future returns. This is

	done on the basis of the so-called (actuarial) interest which is established by De Nederlandsche Bank. This returns percentage is used when calculating the cash values of future pension payments.
Interest-rate averaging	The pension commitments are calculated on the basis of an average rate of interest.
Letter of admission	An informative letter that must be provided to the member within three months of his/her acquisition of pension entitlements. This letter informs the member on several subjects, including the contents of the pension scheme Rules and Regulations and indexation compensation.
Indexation compensation	Indexation compensation, also referred to simply as indexation, relates to the pension fund's annual increase of accrued pensions and pensions in payment. The objective of this is to maintain purchasing power. Our pension fund aims to grant indexation compensation to supplement pensions every year but does not give any guarantees in this respect! Each year the pension fund Board decides whether indexation compensation can be given to supplement the pensions. In other words, there is no right to such compensation. Moreover, the pension fund does not maintain a financial reserve to be able to compensate future pensions for indexation. Policy on (annually) increasing accrued pensions and pensions in payment in order to attempt to make these pensions inflation-proof in the longer term.
Provision for pension commitments	The provision for pension commitments equals the cash value of the pension entitlements accrued up to the balance sheet date including any anticipated rise in the career prospects of active members.
Uniform Pension Statement (UPO)	The pension statement sent to all (former) members every year. This statement provides insight into the (amount) of Retirement Pension and Disability Pension, as well as the Partner's and Orphan's Pension. All pension providers in the Netherlands use the same statement. This serves to clarify the pension situation for everyone.
Accountability Council	This body of the pension fund is the body to which the Board is accountable, and in which the active members, persons entitled to a pension and the employer all have a representative.
Assets	The fund's assets are all the assets of the fund (shares, property, fixed-interest assets, etc.).
Review Committee	This committee consists of three independent external experts who are appointed by the Board. The Review Committee assesses the functioning of the Board once every three years or more often should the Board feel it advisable to do so.
Value transfer	Transfer of the value of your pension entitlements if you move to another employer and consequently, your pension provider. Your former pension provider calculates the value of your pension entitlements. Your new pension provider then offers you new pension entitlements for the same amount. The transfer of the cash value of pension entitlements from the pension insurer of the former employer to that of the new employer to purchase pension entitlements.
WAO	Disablement Benefits Act. An employee insurance on grounds of which benefits are paid to employees who after the obligatory period of continued salary payment are still fully or partially disabled. The amount of this benefit depends on the employee's (daily) pay, his/her age and

	extent of disability. The WAO is not applicable for people who became (partially) disabled after 1 January 2006.
WIA	Work and Income According to Labour Capacity Act. This act succeeded the WAO on 1 January 2006. The act is applicable for employees who became disabled on or after 1 January 2006.
WGA	Work Resumption Scheme for Partially Disabled Persons, intended for employees who become partially (35-80%) disabled. Employees becoming 80% disabled or more also fall under the terms of the WGA if it is expected that they will recover sufficiently to return to work. See also the UWV website: www.uwv.nl