

An aerial photograph of a dense forest with a road cutting through it. The trees are in various shades of green and brown, suggesting autumn. The road is a two-lane asphalt road with white dashed lines. The text is overlaid on the center of the image.

# Summary of the Transition Plan **for** **the New Pension Scheme**

For former participants

Note: This is an online translation. In case of discrepancies, the original Dutch version prevails.

Eastman Chemical AP Holdings B.V., Eastman Chemical B.V. and Eastman Chemical EMEA B.V.

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There is a new pension law: the Future Pensions Act (Wtp). Therefore, the employee representatives at Eastman and Eastman as the employer (the Works Council and Eastman) have made decisions regarding the future design of the company's pension scheme. All these agreements are detailed in the 'transition plan'. In this summary, you will find the key agreements and what they mean for your pension.

Would you like to know more about all the agreements and changes? Please refer to the transition plan on the Stap website.

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# Agreements on new pension scheme are ready, so what's next?

The agreements on the new pension scheme have been laid down by the social partners (Eastman and the Works Council) in the transition plan.

Eastman's plan is now on the Pension Fund's website (Stap) and it is expected that Synthomer's (former Eastman Middelburg site) plan will also be available there soon.

What's next?

1. Stap assesses and decides on the feasibility, the request for transfer and the balance of the transition.
2. Stap draws up an implementation and communication plan that will be submitted to De Nederlandsche Bank (DNB) and the Dutch Authority for the Financial Markets (AFM).
3. DNB and AFM will assess the implementation and communication plan and, after a positive assessment, will give formal approval.
4. No later than one month before the transition to the new rules, you will receive insight into the amounts that apply to you via Stap.

# The key agreements summarized

**In determining the conditions for the transition to the new pension scheme, Eastman and the Works Council agreed on the following:**

- The new pension scheme will start on 1 January 2026.
- The new scheme is a flexible premium scheme with a variable pension. The amount of your pension ultimately depends on the results of the investments, among other things. Your pension will fluctuate more with economic conditions.
- Stap invests the money for your pension. What is added to or deducted from your pension capital depends on the return on the investments for the investment profile you have chosen.
- When you retire, 3% of your accrued pension capital goes to a 'risk-sharing reserve'. The fund uses this reserve to prevent your pension from going down as much as possible. On retirement date, you can also opt for a fixed pension with another pension provider.
- The pensions at Stap from the old pension scheme will be transferred to the new pension scheme. The collective assets at Stap will be distributed among all participants on 1 January 2026.

# What will remain the same?

Not everything changes.

- You will still receive AOW (state pension) from the Dutch government
- You will receive your pension as long as you live.
- Did you earn more than €55,000? The pension capital you built up over your salary above this amount remains with BeFrank.

# What changes in the new pension scheme?

The key changes summarized

Component	Current pension scheme	New pension scheme
<b>Type of pension scheme</b>	A 'CDC scheme': you built up pension up to €55,000 at Stap (basic scheme). Between €55,000 and €137,800 you built up pension capital at BeFrank (excess scheme).	<p>'Flexible premium scheme': Your pension capital is determined at the transition point. The amount of the pension capital depends on the investments, among other things. You choose from various investment profiles, so you determine how much risk the pension fund must take for you. The closer you get to your retirement, the less risky the fund invests. This is how we limit the risks.</p> <p>After retirement, your pension for the coming year is determined annually, depending on your pension capital. The rest of the pension capital remains invested and changes with the positive or negative investment returns.</p> <p>You can also opt for a fixed pension payment from another pension provider on your retirement date.</p>
<b>Increase/decrease</b>	A 'fixed' pension with the possibility of annual increase or decrease according to Stap's policy.	Standard a 'variable' pension that moves with economic circumstances. If you prefer a fixed pension, you can place your benefit with another pension provider.
<b>Partner's pension on your retirement date</b>	None, unless part of your accrued pension has been set aside for a partner's pension upon leaving employment.	Depending on the size of your pension capital on your retirement date. You can use part of your pension capital for partner pension. This is not necessary.

# Further agreements on the new pension scheme

- **We will convert the pension you have accrued**

The pension on your salary up to €55,000 that you accrue until January 1, 2026, will be converted into pension capital in the new scheme. Your pension will retain at least the same value. If there is more money after the conversion than the value of all pensions combined, we will distribute the excess money.

# Who bears the risks?

- Participants, former participants and pensioners themselves bear the investment risk and the risk we will all live longer on average. This means that pensions will also have to be paid out for longer. There must be enough money in the bank for this.
- In the payout phase, these risks are shared via a 'collective allocation circle'. This means that your pension can increase or decrease by a certain percentage each year, depending on the investment returns, among other things. This percentage is the same for all pensioners.
- To prevent your pension payment from decreasing (much) in one year, we have a 'risk-sharing reserve'. With this reserve, we try to prevent (large) fluctuations in (future) pensions, ensuring a more stable pension.
- The risk-sharing reserve is part of the new pension scheme from retirement for the variable payout. If you prefer a fixed payout, you can have your pension paid out by another pension provider. In that case, you do not use the risk-sharing reserve.



# What does this mean for your pension?

- Thousands of future scenarios have been calculated varying from very bad to very good. The calculations have shown that the new scheme will lead to a better pension in approximately 70% of the future scenarios.
- Just before the transition moment (1-1-2026) you will receive an overview of the expected pension for you after the transition. This shows you what the expected consequences are for you personally.
- After the transition you will receive an overview of the actual pension at the time of transition.

# A balanced pension scheme

Eastman and the Works Council find the new agreements balanced. We have had calculations made for all groups of participants with a pension at Stap and a surplus scheme at BeFrank. This allows us to see what consequences the new scheme has for all groups in different situations. If the financial position of the pension fund is very good, or very bad, for example. We have made choices about compensation and how it is financed. Eastman and the Works Council find the total of agreements balanced.

## **The collective assets at Stap are distributed as follows at 'invaren':**

1. Convert 100% of pension entitlements into individual pension capital
2. Filling the minimum required equity (MVEV -Minimaal Vereist Eigen Vermogen-, statutory obligation)
3. Filling the buffer for the operational reserve (statutory obligation)
4. Offering compensation to active participants for the transition to the flat premium by means of compensation in the wage sphere.
5. A targeted allocation from the buffers of 3 to 5% to all participants.
6. Preventing as much as possible decreases in benefits that have started by adding a risk-sharing reserve.
7. Distributing the buffers upon entry as much as possible in line with the regulatory standard method for entry with a spreading period of 10 years.

An aerial photograph of a two-lane road winding through a dense forest. The trees are in various stages of autumn, with some showing vibrant orange and red leaves, while others remain green. The road is dark asphalt with white lane markings. The text "Thank you for your attention" is overlaid in the center of the image.

Thank you for your attention

Disclaimer:

We have compiled this explanation with the greatest care. You cannot derive any rights and/or obligations from this explanation.

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