

Profile of the PDN Accountability Council

1. Introduction

The Accountability Council (AC) is tasked with producing an annual evaluation of the Board's performance, the Board's policy, and the Board's future policy proposals. It does this on the basis of the management report, the annual financial statements, the findings of the Supervisory Board, and other relevant information.

The AC also has the right to be consulted in several instances. This includes consultation on the form and structure of internal supervision, the establishment and amendment of the remuneration policy, the establishment and amendment of the communication and information policy and the complaints and disputes procedure, and the contribution and administration agreement. These consultation rights are laid down in the fund's articles of association.

The AC exercises its judgment and issues its advice to ensure that the Board has balanced the interests of all stakeholders. An AC member therefore not only represents the interests of those who voted for them, but also the interests of all parties with a stake.

The AC itself determines the frequency of meetings but meets at least six times a calendar year. The AC and the Board meet together at least twice a calendar year.

In view of the Accountability Council's tasks, the Board believes it is essential that the Accountability Council has certain qualities and that its members are also qualified to carry out their role. As a result, the Board imposes requirements on the Accountability Council and on individual members in particular.

2. Requirements for the Accountability Council as a whole

The members of the AC must collectively possess the expertise, experience/skills, and competencies needed to advise the Board, to give an opinion on the general course of business, and to understand the policy and advice of external parties.

As far as expertise is concerned, a distinction is made between the following fields:

- managing an organization
- relevant pension regulations and pension law
- pension schemes and types of pensions
- financial and actuarial aspects
 - o actuarial aspects and financing
 - o investment policy and asset management
 - o reporting
 - o balance sheet management
 - o reinsurance
- administrative organization and internal audits
- outsourcing
- communication
- information technology (IT)
- risk management
- sustainability (ESG).

As a general rule, at the time of their appointment, members of the AC must have basic knowledge at suitability level A, within the meaning of Attachment 1 of the service document 'Operating a pension fund' (*Besturen van een pensioenfonds*) published in Dutch only by the Federation of the Dutch Pension Funds (*Pensioenfederatie*).

Members must also be able to produce an evaluation of one or more of the areas relevant to the fund. This means that these members, in one or more areas:

- are familiar with the main relevant concepts in the field;
- are familiar with the meaning of these concepts;
- have an insight into the interplay between the fields of expertise;
- know where further information can be found;
- know whether, and to what extent, the concepts apply to the fund.

To perform their role properly, AC members need not only knowledge, but also the ability to apply it. A member of the Accountability Council must be capable of analyzing and evaluating the Board's policy, and particularly whether the Board has struck a balance between the interests of all stakeholders when defining policy and making decisions. If required, a member of the AC can develop their skills further to the standard required for level B, in close consultation with the Council Chairman.

3. Requirements for individual Accountability Council Members

Each AC member must have level A in all areas of expertise, as referred to in Attachment 1 of the service document 'Operating a pension fund' (*Besturen van een pensioenfonds*) published in Dutch only by the Federation of the Dutch Pension Funds (*Pensioenfederatie*).

Each AC member must also possess the following competences:

- affinity with pensions and related subjects
- ability to adopt a multidisciplinary approach and consider the relations between various topics
- ability to reflect and look critically both at the actions of the Board and at their own actions
- ability to work with other members of the Accountability Council and with the Board
- display energy, drive, and commitment
- ability to think and act independently in the interests of all stakeholders in the fund
- ability to think critically
- ability to examine the policy conducted from all angles, form their own opinion of it, and understand the consequences of it, partly in consideration of the need to strike a balance between the interests of the various stakeholders.

The following professional conduct is expected from members of the AC:

- act in accordance with laws and regulations and internal integrity regulations, including the fund's code of conduct and incident and whistleblower regulations
- act with integrity
- maintain strict confidentiality regarding the information provided in the context of the AC's work
- not hold any other position that could cause a conflict of interest or the appearance of one
- be prepared to follow pension training courses
- follow current developments in the world of pensions and consider what consequences this has for the fund
- attend AC meetings and meetings between the Council and the Board
- be tuned in to the concerns of all stakeholders
- make a constructive contribution to meetings
- ensure they have sufficient time to perform their role (around three to four hours a week on average) and prepare for and attend AC meetings (around two half-days per meeting)
- be prepared to serve at least one term of four years.

The Board helps members of the Accountability Council to maintain and achieve a higher level of suitability.

As a general rule, members of the AC must have basic knowledge at suitability level A, within the meaning of Attachment 1 of the service document 'Operating a pension fund' (*Besturen van een pensioenfonds*) published in Dutch only by the Federation of the Dutch Pension Funds (*Pensioenfederatie*). Members must also be able to produce an evaluation of one or more of the areas relevant to the fund. Each member must meet Level A by the time they start accruing a pension or within one year of joining the AC.

4. Diversity

The composition of the AC should be such that it reasonably reflects the stakeholders and is diverse in terms of education, background, personality, gender, and age. From this point of view, the aim is to appoint at least a third female member and at least a third male member to the Accountability Council, as well as at least one member over and one member under the age of 40. However, suitability for the position takes precedence.

5. Remuneration

Membership of the AC is unpaid. Members of the AC are entitled to reimbursement of expenses in accordance with the remuneration policy adopted by the Board.

6. Assessment against the profile

The AC will assess candidates for membership of the AC against this profile. If a member of the AC nominated by the employer does not meet the requirements of this profile, the employer will be asked to nominate another candidate. If a nominated candidate wishes to become an employee or pensioner representative but does not meet the profile requirements, they will not be added to the list of candidates.