

Principle agreement reached on future pension arrangements of Stork

Amersfoort, 19 april 2011 – A principle agreement has been reached between the Stork Pension Fund, Stork BV and a number of companies that were formerly part of the Stork group, on the future arrangement of the pensions managed by the Fund.

A central element of the agreement, which was reached following intensive dialogue among all the interested parties, is the transfer of the pension arrangements from the Stork Pension Fund to the industry-wide pension fund Metal-Electro (PME). Discussions are underway between PME and the affected unions in this regard. Agreement has already been reached on premiums and financing of the pension arrangements.

Discussions have been ongoing for quite some time between Stork BV and the Stork Pension Fund on adjustments to the Fund's financing, with the transfer of the pension arrangements to PME one of the options considered. Less favourable yields and a continuing low long-term interest rate have reduced the calculated financial reserves of pension funds in general, while their obligations have increased, in part due to an unexpected strong increase in life expectancy. Stork has been exempt from participation in the industry-wide fund but is now voluntarily joining, along with the other companies party to the agreement, in the interest of establishing a more secure foundation for the pension arrangements. By joining forces with the PME, the Stork Pension Fund achieves an increase in scale in the financing of its pension plans, thereby helping to maintain the pensions at a suitable level.

A major factor in the agreement is the fact that the composition of the Stork group has changed radically in the last few years. A number of companies and business units that previously were part of the group have become independent or have had undergone a change in ownership. As a result, a number of the participating companies in the Stork Pension Fund are no longer members of the Stork group. Splitting up the pension fund to reflect this change would not be in alignment with the desired increase in scale, which is generally considered to be more beneficial for a collective pension arrangement.

As part of the principle agreement, the parties have agreed on a new execution agreement in which the payment of recovery premiums by the participating companies to the Stork Pension Fund has been defined, resulting in a one-time payment by Stork BV and the other companies of approximately EUR 70 million.

The parties are convinced that the interests of the participants and pensioners are best served with the intended transfer to PME. The principle agreement covers already accumulated pensions rights of participants in the Stork Pension Fund, as well as future obligations. In total, the agreement concerns 8,800 active participants (employees), 24,000 former participants and 15,000 pensioners. The total assets of the Stork Pension Fund currently amount to EUR 2.7 billion.

Formally, the intended transfer must be approved by the oversight authority the Dutch National Bank. Consent is also required from the participation council of the Stork Pension Fund.

Note to editors:

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