



AG2R LA MONDIALE

# INFORMATION FOR MEMBERS

## INTERNATIONAL PENSION PLAN

PERSONAL DEFINED  
CONTRIBUTION PENSION  
SCHEME

# ITER INTERNATIONAL

**Contract**  
**N°RG503700199900**

Updated on 2016 04 14



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**ITER** have established a **pension plan** for all its employees. The plan is funded by ITER and the members.

This booklet **describes the plan benefits**. In case of dispute, the general and special conditions for **the contract N° RG 503700199900**, issued by La Mondiale Europartner, are considered to be the **legally binding documents**.

## LA MONDIALE EUROPARTNER

La Mondiale Europartner, a company established in Luxembourg since 1989, owned by La Mondiale (65%) and AEGON (35%). These two groups are corporate pension leaders within their respective markets (France, The Netherlands, The United Kingdom, USA, ...). La Mondiale Europartner is the platform for AEGON Pension Network, which is dedicated to international pension plans set up for multinational companies and International Organisations for their internationally mobile employees.

## AIM OF THE CONTRACT

The aim of this Agreement is to accrue and pay a lump sum or provide for a life annuity. Each eligible employee has an individual retirement account.

## CONTRACT RULES

The employee's account is created on receipt of an Individual Affiliation Form, completed by each employee and forwarded by ITER to La Mondiale Europartner.

### CONTRIBUTIONS TO INDIVIDUAL ACCOUNTS

The individual account of each employee receives monthly contributions equal to 21% of the gross salary, among which

- 14% is paid by ITER,
- 7% is paid by each employee.

### VALUATION OF THE INDIVIDUAL PENSION ACCOUNTS

The contributions paid on each individual pension account are invested in the different underlying assets according to the managed profile selected by the scheme member in the Affiliation Form or as indicated by within a Switch Request form.

The contributions paid to the Insured's individual pension account grow in line with the investment returns from the various assets, which make up the profile. These returns are net of financial management charges, withdrawn at the end of each week and set at:

- 0.41% per year for the savings invested in the guaranteed fund denominated in euro or US dollar,
- 0.30% per year for the savings invested in unit-linked funds.



## Financial management backed by La Mondiale Europartner's Guaranteed Fund denominated in euro or US dollar:

At the end of each year, each employee's individual account is made of

- the amount of the individual account on the 31<sup>st</sup> of December of the previous year
- the contributions of the year
- the investment income that has been credited according to each transaction's value date.

This investment income is calculated using the net investment yield, which is defined annually by the Insurer. The net figure is calculated by using the gross rate minus any asset management charges. The savings in the guaranteed fund are credited with the weekly equivalent minimum guaranteed yield net of the weekly financial management charges.

### Asset management in UCITS<sup>1</sup>:

UCITS Funds (Undertaking for Collective Investment in Transferable Securities) are unit-linked. The value of each unit is determined on the last working day of each week; it is equal to the first market price known of the unit from this date.

## PAYMENT OF THE CASH VALUE OF THE INDIVIDUAL PENSION ACCOUNTS

**The earliest possible date which the Insured has access to the funds is when the Insured no longer works for ITER**, whatever the reason (resignation, end of contract, dismissal...).

- The Insured's **rights are vested** on his/her individual account at the date of leaving. His/her savings may remain invested and the account will continue to grow with the same terms and conditions, as enjoyed by the other employees of ITER.
- The Insured can request **to transfer his/her individual account** to the same type of contract subscribed by his/her new employer. No fees will be charged for this purpose.
- The Insured can request **a lump sum** equal to accumulated savings on his/her individual account. No fees will be charged for this purpose.

He/she can ask for **the payment of its capital to be split in three steps maximum**. Each of the payments will be activated in the specific request of the Insured.

Upon request and provided that the Insured is **at least 65 years old**, the lump sum can be converted into a quarterly annuity based on the scale in force at the point of calculation.

**In the event of the employee's death prior to retirement**, the designated beneficiary, as indicated on the Individual Affiliation Form (or any other subsequent valid notification), shall receive the cash value of the employee's individual account. The beneficiary may opt to take an immediate life annuity based on the scale in force as at the date of request, in lieu of the lump sum.

In all cases, the taxation due will be in line with the country of residence of the Insured on the date of payment of the benefits.

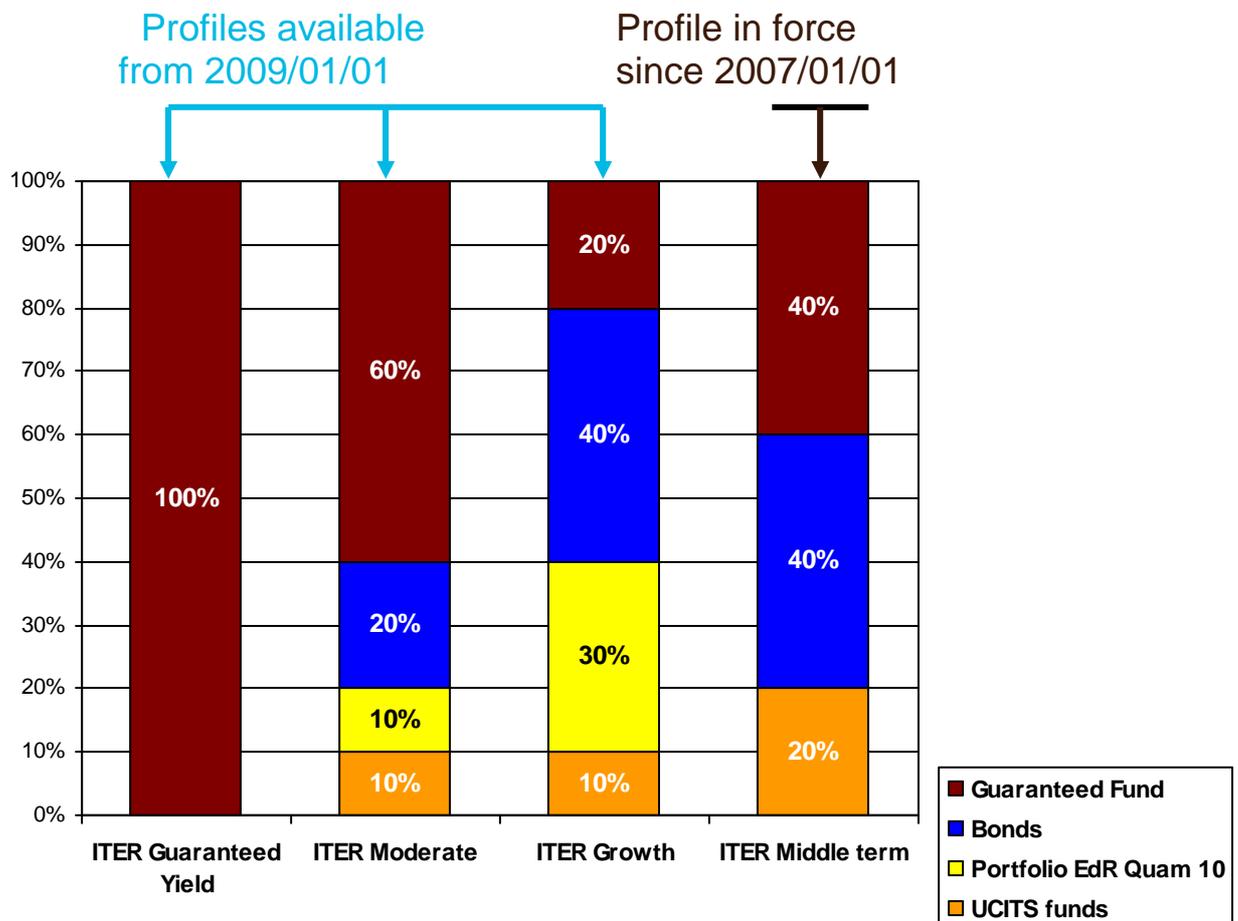
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<sup>1</sup> A UCITS (Undertaking for Collective Investment in Transferable Securities) is a collective investment fund. The selected UCITS under the ITER profiles are compliant to the European rules of operating and of investment.



## FINANCIAL MANAGEMENT OF THE INDIVIDUAL ACCOUNTS

Each Insured has a choice of 4 different profiles. Each profile is composed of one or several asset types, detailed below:



### NOTE:

- The 4 profiles are available in two currencies, euro and US dollar, in order to reduce the foreign exchange exposure for scheme members, with the idea being that the currency chosen, should be in line with the country in which he/she intends to retire. Where this is not possible, the Insured should choose the currency most linked to the preferred currency.
- Among the 4 profiles, only the ITER Guaranteed Yield provides a guarantee of the invested capital.
- If the Insured does not clearly indicate his/her preferred profile, on the Affiliation Form, the contributions will be invested into the "ITER Guaranteed Yield €", by default.



The profiles are composed of the following investment vehicles:

- partly, La Mondiale Europartner's Guaranteed Funds in euro or US dollars US
- partly, a selection of UCITS funds from the best asset managers in the market, in order to increase diversification among the more dynamic and adventurous assets
- and finally, a tactical mutual fund (Portfolio EdR Quam 10) managed to offer performance in line with the financial markets when they are on an upward trend, and to offer a better performance when there is a downwards trend, whereby the objective is to limit the potential maximum annual investment loss to 10%, 95% of the time.

### How to choose a profile?

**First criteria: The choice of the investment currency.** This choice for the investment currency should be in line with the country, in which you intend to spend your savings in the future. If you plan to keep your money invested until retirement, then the currency of your investment should be the one of the country where you will retire. If you plan to retire or to spend your money elsewhere than in the USA (\$) or in the Euro Zone (€), then you should choose the currency which influences your preferred country the most.

**Second criteria: Your risk profile.** The table below suggests you some investment possibilities:

Investment profile	Recommended Investment Horizon	Investment possibilities
You require maximum security and a guarantee that your savings will not drop in value. You wish to receive a regular minimum level of interest plus a second level of interest based upon the performance of the fund.	0 to 4 years	ITER Guaranteed Yield
You are prepared to take a little bit of risk to allow your account to grow on a medium term horizon. While remaining careful with your investment, you invest 40% of your account in the stock market, with a limited exposure to equities (between 10% to 15% depending on market conditions).	4 to 5 years	ITER Moderate
You want to take a little more risk but with the same investment horizon as above. Your exposure to equities is fixed to 20% whatever the market conditions. You therefore accept more volatility in investment returns than with the Iter Moderate profile.		ITER Middle Term
You would like to have a higher return on a long term basis. Nonetheless, you do not want to have more than 30% invested in equities, even in bull market conditions.	5 to 8 years	ITER Growth



## LA MONDIALE EUROPARTNER'S GUARANTEED FUND DENOMINATED IN EURO AND US DOLLAR

This fund offers a high level of protection to the Insured. Due to the fund's size, it provides a good distribution of risk, and due to the group's large solvency margin, it provides a fundamental level of security.

They focus on secure and stable investment returns. The fund is primarily invested in state-issued bonds or major international corporate bonds, as well as high yielding Real Estate funds.

### UCITS VEHICLES

A UCITS (Undertaking for Collective Investment in Transferable Securities) is a collective investment fund. The selected UCITS under the ITER profiles are compliant with the European investment rules. ITER asset management profiles rely on a multi-asset, multi-style and multi-manager approach, based on three levels of diversification and two combined areas of expertise:

- the Insurer's asset management teams' expertise in creating the strategic asset allocation
- and Russell's expertise, with their multi-style, multi-manager approach, where they are world leaders in this field.

#### **The strategic allocation consists on adopting a multi-asset approach:**

- On the one hand through investment diversification across different geographic zones and asset classes in order to benefit from every possible investment opportunity ;
- And on the other hand, by automatically following up and monitoring the performances realised: the analysis of the gaps between targets and achievements allowing, if necessary, fast corrections.

As a result, La Mondiale Europartner is responsible for the selection of the investment types (UCITS) and their distribution within the different asset types. This selection and distribution may be modified in accordance with the changes in the financial markets and the results of the UCITS.

#### **The multi-style and multi-manager approach consists of two levels of diversification:**

- Diversification of asset management styles (Multi-Style) in order to control risk: within each asset type, each manager selected by Russell adopts a special management style to select the portfolio's investment (acquisition of undervalued investments, research of expanding companies, ...). The performance of these management styles varies according to stock markets conditions. The Multi-Style management combines these various management styles, which are complementary and thus allows a better control of risk.
- Diversification of managers (Multi-Manager) in order to optimise returns: Russell selects the best investment managers worldwide based on continuous auditing and analysis, allowing them to maintain the best quality asset management. This research process relies on the Multi-Manager technique where Russell negotiates the best terms and conditions with the selected managers. In addition, the Russell reporting and monitoring process allows them to foresee any risk of performance and therefore replace defaulting managers before the performance deteriorates.

### PORTFOLIO EDR QUAM 10

According to a proven quantitative model, this tactically managed fund (Portfolio EDR Quam 10) invests in diversified selected funds, identifying market trends and optimising the asset allocation at any time. The fund's objective is to achieve an absolute return in line with the predetermined risk levels, and is actively monitored (such as the 10% maximum level of volatility). The asset type weightings can vary widely, dependent upon market trends. There are no investment constraints, and the fund can be invested heavily in equity funds if the volatility permits. In practice, less funds will be invested in equities during a bearish market, to reduce risk, and then a gradual increase in equities as the market shows signs of recovery. However, the fund's exposure to equity markets is more likely to be between 0% and 60%. The recommended investment horizon for this fund is 5 or more years.



## THE SELECTED FUNDS AS AT 2016.03.01

### Euro ITER underlying funds

ASSET TYPE: BONDS			
MARKETS	%	FUND NAME	ISIN CODE
	54.00%	RIC II Euro Fixed Income Fund	IE0002414344
	25.00%	Guaranteed Fund Euro	
	12.00%	RIC II Global Bond Euro (Euro Hedged)	IE0002414120
	9.00%	MSMM Global Strategic Yield Fund B	IE00B459FF93
	100%		
ASSET TYPE: EQUITIES			
MARKETS	%	FUND NAME	ISIN CODE
EURO ZONE	25.00%	RIC Continental European Equity Fund	IE0007356250
	11.00%	MSMM Eurozone Aggressive Equity Fund	IE00B0DD2329
EUROPE	25.00%	RIC II Pan European Equity Fund	IE0002393431
	9.00%	MSMM European Small Cap Equity Fund	IE0004308122
USA	14.00%	RIC US Equity Fund	IE0002190993
	5.00%	RIC US Quant Equity Fund	IE00BD081238
JAPAN	4.00%	RIC Japan Equity Fund	IE0003506866
EMERGING MARKETS	7.00%	RIC Emerging Markets Equity Fund	IE0003507054
	100%		
ASSET TYPE: DIVERSIFIED			
MARKETS	%	FUND NAME	ISIN CODE
	100%	EdR Quam 10 (EUR)	LU1005540544
	100%		



## US Dollar ITER profiles

ASSET TYPE: BONDS			
MARKETS	%	FUND NAME	ISIN CODE
	25.00%	Guaranteed Fund USD	
	30.00%	RIC Global Bond fund	IE0003507161
	45.00%	RIC US Bond fund	IE0002409922
	<b>100%</b>		
ASSET TYPE: EQUITIES			
MARKETS	%	FUND NAME	ISIN CODE
<b>EURO ZONE</b>	10.00%	RIC Continental European Equity Fund	IE0007356250
<b>EUROPE</b>	10.00%	RIC II Pan European Equity Fund	IE0002393431
	5.00%	MSMM European Small Cap Equity Fund	IE0004308122
<b>USA</b>	50.00%	RIC US Equity Fund	IE0002190993
	2.00%	RIC US Small Cap Equity Fund	IE0003512708
	12.00%	RIC US Quant Equity Fund	IE00BD081238
<b>JAPAN</b>	4.00%	RIC Japan Equity Fund	IE0003506866
<b>EMERGING MARKETS</b>	7.00%	RIC Emerging Markets Equity Fund	IE0003507054
	<b>100%</b>		
ASSET TYPE: DIVERSIFIED			
MARKETS	%	FUND NAME	ISIN CODE
	100%	EdR Quam 10 (USD)	LU1005540890
	<b>100%</b>		

## SWITCHES

Each Insured has the possibility to switch their holdings, and to change the fund choice for future contributions.

- Switch requests will be processed on the last working day of the week, normally a Friday. The valid requests must be received by 12 noon Central European Time, one day prior to the last working day of the week, normally a Thursday. If either the Thursday or the Friday falls on a non-working day, the deadline will be brought forward.
- A switch confirmation will be issued to the Insured.
- Each Insured may make one free switch per calendar year.
- Any subsequent switches will be charged at 0.50% of the value switched, subject to a minimum €30 and maximum €150 charge.



## OFFERED OPTIONS WHEN REQUESTING PAYMENT OF THE INDIVIDUAL PENSION ACCOUNT

According to your future personal situation, you may choose between the following options at the date of retirement:

- Payment of a **lump sum**,
- Payment of an **individual annuity**,
- Payment of a **reversionary annuity**,
- Payment of an **individual annuity with a minimum benefit period**

The annuity calculation depends on the chosen option. The cost of each option will be drawn from the annuity amount. La Mondiale Europartner will inform the employee of the consequences on the annuity amount, so that he/she may choose **the most adapted option to his/her situation**.

### PAYMENT OF A LUMP SUM

The Insured may ask to receive **the full amount of the accumulated savings**.

The Insured can also ask the payment of its capital to be split in three steps maximum. Each of the payments will be activated in the specific request of the Insured.

### PAYMENT OF AN INDIVIDUAL ANNUITY

This scale is calculated according to the following elements: mortality tables, as well as the maximum authorized technical rate in force on this date, the charges of retirement pension payment, the age reached by the Insured, the age of the spouse or ex-spouse(s) if the pension is reversionary, as well as the possible options retained by the Insured.

### PAYMENT OF A REVERSIONARY ANNUITY

The Insured may ask for the pension to be reversionary to his or her surviving spouse.

In accordance with the regulation in force, if the case arises, the pension benefit will be reversionary to the benefit of the ex-spouses separated or divorced and non remarried declared to La Mondiale Europartner. The reversionary pension part of the pension will be calculated pro rata according to the duration of each marriage.

The reversionary rate requested may be of 50 %, 60 % or 100 %.

The reverted pension is paid on the due date of every calendar quarter, starting from the insured death, until the death of the beneficiary(ies).

### PAYMENT OF AN INDIVIDUAL ANNUITY WITH A MINIMUM BENEFIT PERIOD

The Insured may receive an annuity with a **minimum benefit period** starting from the effective date of the pension calculation.

In the event of death of the Insured before the end of duration of benefit mentioned above, the annuity will be paid on the same basis to the designated beneficiary up to the expiration of the minimum period retained by the Insured.



## REVALUATION OF THE RETIREMENT PENSION

The pension annuities in progress of payment are managed in the annuitant's fund of La Mondiale Europartner.

The annuity is paid each calendar quarter until the Insured's date of death, or, if the reversionary option has been requested, according to the provisions provided for in that option.

The annuity is revaluated on 1<sup>st</sup> of January each year according to the technical and financial results of the previous business year.

## REPORTING TO THE MEMBERS

Once a year, the Insurer will prepare **an individual account statement** for each employee detailing:

- Contributions allocated to the individual account during the year,
- Value of the individual account as of the 31<sup>st</sup> of December,
- The financial information notice stating the annual investment return of the management profile.

**After leaving the Policyholder, the Insured shall notify La Mondiale Europartner of any change of personal address so that the annual individual account statement can be sent to him/her.**

The Insured may access his/her individual account on our secured website:

[www.lamondialeuropartner.lu](http://www.lamondialeuropartner.lu)

*(Login and password are sent to each employee after reception of the affiliation documents).*

This access shows the balance of the individual account, fund flows and specific information on contract asset management.

The employee may contact his account officer at: [pensions@lamondiale.lu](mailto:pensions@lamondiale.lu)

For questions about the website access: [webpensions@lamondiale.lu](mailto:webpensions@lamondiale.lu)



## DOCUMENTS TO BE SENT IN RELATION TO PAYMENT OF THE INDIVIDUAL PENSION ACCOUNT

**At the time of retirement**, the Insured must provide the following documents to enable La Mondiale Europartner to calculate his/her pension.

- A dated and signed **handwritten letter**, clarifying the modalities of the benefits calculation and indicating the possible chosen options,
- **The certified true copy** of an ID card of current validity,
- **A Bank details account** signed by the Insured for the payment of the benefits (the bank account must be in the name of the Insured)
- The fill in and signed **FATCA form** if it doesn't made previously,
- **In cases where the reversionary option has been chosen :**
  - Marriage certificate
  - Existence of ex-spouse(s): the birth certificate for every ex-spouse, (French rules impose that not only the spouse but also the ex-spouse(s) not remarried, benefit from the reversionary option in proportion to the wedding years).

**In the event of leaving ITER** before retirement age:

- A dated and signed **handwritten letter** or surrender form,
- **The certified true copy** of an ID card of current validity,
- **A Bank details account** signed by the Insured for the payment of the benefits (the bank account must be in the name of the Insured)
- **Certificate from the employer** confirming the date of leaving

This file can be completed by specific evidences according to the possible options retained on the calculation of the pension or in the event of death.

There are no withdrawal penalties applied by the Insurer. The Insured covers any possible foreign exchange and bank charges due on payment.

For any additional information please contact:

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*Please note that this booklet is only a summary of the insurance contract subscribed by the company. The General and Special conditions are the only contractually binding elements of this policy.*