

**Insurance terms and conditions - occupational pension insurance**

**VOLVO FÖRETAGSPENSION – TRADITIONAL INSURANCE**

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## Insurance terms and conditions – occupational pension insurance

# VOLVO FÖRETAGSPENSION – TRADITIONAL INSURANCE

### General information on Volvo Företagspension

Volvo Företagspension is an additional occupational pension based on local collective agreements effective within the Volvo Group and Volvo Car Corporation, including some of their previously owned companies or associates. This pension is a supplement to a national retirement pension and an occupational pension through central collective agreements. Unlike centrally agreed occupational pensions, Volvo Företagspension has no lower age limit.

Volvo Företagspension is valid from the first month of employment for permanent employees and temporary employees, who have worked at least three whole calendar months during the year, in the same company, and the same region.

Holiday workers and trainees are not covered by Volvo Företagspension.

### Insurance provider

VFF Pension Försäkringsförening, Corporate no. 816400-4056, is the insurance provider. VFF Pension Försäkringsförening (hereinafter referred to as VFF Pension) is a mutual benefit association /occupational pension fund. The association is owned by its members. Mutuality means that there are no shareholders, but instead the policyholders /members share the profits in the form of bonuses.

The association is headed by a representative and a Board of Directors. The trade unions have the majority vote but AB Volvo and Volvo Car Group also appoint representatives.

VFF Pension Försäkringsförening falls under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen).

Should you have any queries, please contact VFF Pension's customer service, telephone +46 (0)31-66 12 10, e-mail: vff@volvo.com or by mail to the address below.

### Addresses

Street address: Götaverksgatan 2, Gothenburg, Sweden

Postal address: M2.7, 405 08 Gothenburg, Sweden

Internet: [www.vffpension.se](http://www.vffpension.se)

### Insurance coverage and benefits

Combined retirement and survivor's pension or only retirement pension.

Initially, the insurance always includes repayment cover. Repayment cover can then be cancelled or added to until pension payments are initiated.

#### With repayment cover

If the policyholder (the insured) has opted to keep repayment cover and dies after the payment period has been initiated, pension will continue to be paid to the registered beneficiary (ies) for the remaining period. Should the policyholder die before payments have been initiated, the pension will be paid to the registered beneficiary (ies) for a period of five years. Should death occur after the initiation of payment on a lifetime retirement pension, payments will continue to be made to the beneficiary (ies) for a period of no more than 20 years from the first payment of the retirement pension.

Options when choosing repayment cover are:

- 1 First instance - spouse/cohabiting partner/registered partner.

Second - children.

- 2 First instance - children.  
Second – spouse/cohabiting partner/registered partner.

- 3 According to a special beneficiary clause registered at VFF Pension.

Unless otherwise nominated by the member, a survivor's pension is paid, in the first instance, to the spouse/cohabiting partner/registered partner and, secondly, to the member's child(ren).

The term "spouse" is equal in status to cohabiting partner under the Act on Registered Partnership (1994:1117). A spouse is a beneficiary even when divorce/dissolution of marriage proceedings have been initiated. A registered partner is a beneficiary even when legal proceedings have been initiated to end the partnership.

The term "cohabiting partner" refers to a single (unmarried) person who, at the time of death, permanently resided with an unmarried policyholder under marital conditions, or conditions similar to a registered partnership, provided they have, or have had, or are expecting a child together, or were previously married to each other, or lived together in a registered partnership, or in our case, have permanently lived together for at least six months.

If there are several children who are beneficiaries, the pension is divided into equal portions in the case of a general or a special clause, unless otherwise specified.

If there is only one possible beneficiary he/she has the right to request that payment of the survivor's pension be postponed. Any such request must be made before payments of the survivor's pension have been initiated.

In the absence of a beneficiary, the insurance capital reverts to those policyholders with repayment cover. This is known as inheritance gains.

Notification of death shall be made to VFF Pension, to whom the requisite documents must also be submitted, as soon as possible. For payment in the event of death, the documents and other information required to assess liability must be acquired and sent at no extra cost to VFF Pension.

#### Without repayment cover

If the policyholder has opted to exclude repayment cover and dies before pension payments have been initiated or during the payment period, the capital reverts to, and is divided between those policyholders without repayment cover. This is known as inheritance gains. The term "inheritance gains" means that those who opted to exclude repayment cover get a somewhat higher pension. If the policyholder opted to cancel repayment cover, once payments of the retirement pension have been initiated, this cover cannot be reinstated.

#### Size of the pension

Defined-contribution insurance paid by the employer in accordance with the applicable collective agreements for Volvo Företagspension. The size of the insurance capital is determined by the amount of the contributions paid plus interest minus costs.

#### Force majeure (Grounds for exemption)

Should a delay in the investigation into a claim or payment occur as a consequence of government action, acts of aggression, strikes, lockouts, boycotts, blockades or similar, VFF Pension cannot be deemed liable for any loss arising thereof for anyone entitled to a pension.

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### Surrender and transfer rights

There are no surrender rights.

The policyholder is not entitled to transfer his/her insurance capital to another insurance provider.

### Duration of the contract - payment

#### Retirement age

The normal retirement age is 65. Pension payments can be initiated at another time, but no earlier than the month after the policyholder reaches the age of 55, or no later than when the policyholder reaches the age of 70. If the pension payments are to begin early, VFF Pension must be notified no later than 30 days before payments are to be initiated.

#### Period of payment

The policyholder can choose to have his/her pension paid over a period of 5 - 20 years or for the rest of life.

Pension to a member is paid on a monthly basis during the specific payment period requested. In the event of death, the pension is paid up to and including the month in which the policyholder dies.

If the policyholder has opted for repayment cover, his/her pension will continue to be paid to the beneficiary (ies) nominated for the remaining period. In the event of lifetime pay-out, payments will continue to the beneficiary (ies) nominated for up to 20 years after the payments were initiated.

If the policyholder dies before payments have been initiated, the pension will be paid to the beneficiary (ies) nominated for a period of five years.

If the insurance amount or the total value of the insurance is less than the minimum limits VFF Pension applies on any occasion, the association has the right to pay out the full amount plus bonus as a lump sum, or change the period of payment.

### Inaccurate and/or incomplete data

If false information is provided, this may result in the insurance being wholly or partially invalid.

### Legislation

This insurance is governed by Swedish law.  
Pension payments are taxed as income from employment.

### Premiums

Premiums are paid by the employer in accordance with applicable collective agreements regarding Volvo Företagspension.

Currently, there are the following types of premiums

- Ordinary annual premium based on whether the individual is a fulltime or part-time employee, and on how much of the qualifying period he/she has been employed.

- Time bank conversion. Hours from the time bank can be converted into premium. This is done in accordance with the rules that apply in the respective company or group.

- Seniority gratuity. Gratuity received after a certain period of employment according to the respective company or group's rules.

- Bonus conversion. Some employers offer you the possibility to convert your cash bonus into a premium for Volvo Företagspension.

### Administrative costs

To cover VFF Pension's costs for managing the insurance contracts, administrative fees are charged. Effective from 1 January 2018 the following charges apply:

- 0.5 % as premium fee

- 0.3 % as annual charge on the capital.

### Right to bonus

The insurance entitles policyholders to bonuses. For each insurance policy the bonus is its share of the surplus in the event the association's results have been more favourable than calculated when estimating presumptive charges with regard to interest, mortality, operating costs, etc.

### Allocated (preliminary distribution) bonus

Allocated bonuses are not guaranteed and the amounts may be reduced in the event the results are unfavourable in the following year. Allocated bonuses are paid as a supplement to the guaranteed pensions.

In cases where the consolidation deviates from the target level, an adjustment is made by raising or lowering the bonus interest.

If the consolidation is outside the accepted range, there will instead be a one-off increase, or decrease, in the individual insurance capitals, an instantaneous allocation or reallocation. The goal is that the consolidation following this action should be within the range of 100% - 105%.

If the consolidation is below 100% for a period in excess of 36 months, there should be a one-off decrease to restore the consolidation to 100% and if the consolidation is above 125% in more than 36 months there should be an allocation to 110%.

### Collective consolidation and consolidation policy

The level of consolidation is VFF Pension's total assets divided by the value of the association's obligations to its policyholders and others entitled to insurance. Obligations here refer to the total of the insurance's technical surrender values and allocated bonus. Consolidation is 100% if the assets and the liabilities are equal in size.

VFF Pension's consolidation policy is that consolidation should be in the range of 95% - 115%, with the target being 105%.

In cases where the consolidation deviates from the target, an adjustment is made by raising or lowering the bonus interest.

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### Long-term investment targets

The goal is to generate, in the long-term, a minimum of 4% return on investment at an acceptable level of risk. Given this background, about 55% of the assets are invested in interest-bearing securities, approximately 30% in shares and money market instruments, about 8% in real estate and about 7% in alternative investments.

Investment guidelines are determined by VFF Pension's Board of Directors. Ultimately, the association's investments are guided by the policy that the assets should be invested in accordance with the provisions of the Insurance Business Act.

### Information on VFF Pension's financial status

The latest annual report, an interim report for the period January-June is available on VFF Pension's website and can also be ordered.

### Handling of personal data

Personal data submitted to VFF Pension in connection with signing of an insurance agreement, and information we obtain in connection with signing of an insurance agreement, will be processed by VFF Pension or by companies with which we cooperate. This is necessary so we can fulfil our obligations as per the insurance agreement, so we can contact you, and so that we can in all other respects meet our obligations as insurance providers. Personal data may also be used for analysis and statistics purposes. VFF Pension is responsible for proper handling of such personal data. For further information about how VFF Pension handles personal data, see [vffpension.se](http://vffpension.se).

If you are dissatisfied with the way VFF Pension handles your personal data, or if you feel we have handled such information incorrectly, please contact us so we can deal properly with any misunderstandings. You can also submit any complaints you may have to the Swedish Data Protection Authority ([datainspektionen.se](http://datainspektionen.se)). You may request a printout of your register records – free of charge – and if any information there is incorrect, too detailed or incomplete, you have the right to request that we amend it accordingly.

Requests for register printouts, amendments and so on should be sent to:

VFF Pension, Data Protection Ombudsman, M2.7, 405 08 Gothenburg

### If you are dissatisfied

If you believe that VFF Pension has acted with impropriety in your case, it is important that you contact us as soon as possible. Initially, you should contact your case officer who handled your matter. This is to ensure that it is not a misunderstanding, or that information from you is not incomplete. If you are still dissatisfied, please submit a report to our complaints officer to have your case evaluated further. If you are still dissatisfied after this, you may contact the National Board for Consumer Disputes (Swedish ARN) and ultimately the court of law.