

## Pre-purchase information – occupational pension insurance

# VOLVO FÖRETAGSPENSION – TRADITIONAL INSURANCE



### What is Volvo Företagspension?

Volvo Företagspension is an additional occupational pension insurance based on local collective agreements effective within the Volvo Group and Volvo Car Corporation and some companies that previously belonged to these groups or associated companies.

It is a supplement to the national retirement pension and an occupational pension through central collective agreements such as Avtalspension SAF-LO or ITP.

Volvo Företagspension is a traditional insurance that starts with repayment cover.

The insurance comes into effect as soon as your employer pays in the first premium.

### Who is eligible for Volvo Företagspension?

Eligibility is determined by the applicable local collective agreements for Volvo Företagspension. Currently the following applies:

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.

### Different types of premiums

The types of premiums and the size of the premiums are determined by the applicable local collective agreements for Volvo Företagspension.

Currently, these premiums are available:

- Ordinary annual premium based on whether you are a full-time or part-time employee, and on how much of the qualifying period you have worked.
- Time bank conversion. You can convert your time bank hours into premiums. This is done according to the rules that apply in the individual company or group.
- Seniority gratuity. Gratuity received after a certain period of employment according to the individual company or group's rules.
- Bonus conversion. Some employers offers you the possibility to convert your cash bonus into a premium for Volvo Företagspension.

### Traditional insurance

A traditional insurance is a safe form of saving where VFF Pension Försäkringsförening (VFF Pension) responsible for investing the capital.

VFF Pension guarantees a certain amount of growth and in addition there is the opportunity for bonuses. Returns in excess of the guaranteed interest are added as a bonus.

Bonuses are paid when the business generates a surplus.

Bonuses are not guaranteed, but can drop if the outcome is unfavourable in the future.

### Value statement

In the yearly value statement you can see how your savings capital has performed during the previous year. Value statements are available on your personal page on [vffpension.se](http://vffpension.se) or can be ordered, phone 031-66 12 10.

### With or without survivors' protection (repayment cover)?

Initially, Volvo Företagspension always comes with survivors' protection. This means that the insurance is paid to your beneficiaries in the event of your death. It is your responsibility to notify us if the survivors' protection should be removed.

Prior to the first pension pay-out, you may amend your choice at any time, for instance in the event your family situation changes.

### With survivors' protection

If you opted for survivors' protection, in the event of your death after Volvo Företagspension pay-outs have been initiated, the pay-outs will continue to be made to the nominated beneficiaries for the

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remaining payment period. If you opted for pay-outs for the rest of your life (lifelong), the payments will continue to your beneficiaries for 20 years after pay-outs were initiated.

In the event of your death before your pension pay-outs have been initiated, the pension will be paid to the nominated beneficiaries for 5 years.

Possible beneficiaries are, in the first instance, spouse/cohabiting partner/registered partner and own children. Ex-spouses/former cohabiting partners/ ex-registered partners or foster children/stepchildren may also be added according to a special beneficiary clause.

### With survivors' protection – three options

1. In the first instance, my spouse/cohabiting partner/registered partner. Secondly, my children, regardless of age, and in equal shares between them.
2. In the first instance, my children, regardless of age, and in equal shares between them. Secondly, my spouse/cohabiting partner/registered partner.
3. According to a special beneficiary clause registered with VFF Pension.

Option 1 applies automatically. If, however, you prefer option 2 or 3 you must notify VFF Pension.

### Without survivors' protection

If you opt for insurance without survivors' protection, in the event of your death before pension pay-outs have been initiated, or during the payment period, your insurance capital reverts to, and is divided among, the other policyholders. This is known as inheritance gains.

Inheritance gains means that those who opted to exclude survivors' protection get a somewhat higher pension.

If you do not have any possible beneficiaries, you should opt for "without survivors' protection".

You may add survivors' protection up to the time your pension pay-outs are initiated.

### When can I start drawing my pension?

Volvo Företagspension usually starts to be paid out from the age of 65, for a period of five years. You

may, however, opt to start drawing your pension at any time between the ages of 55 and 70.

You will be contacted four months prior to your 65th birthday about initiating pay-outs. It is not until then that you will have to decide when you would like to start drawing your pension and for how many years the payments should be distributed. The payment period is any time between 5 years and the rest of your life.

If you wish to start drawing your pension before the age of 65, you must contact VFF Pension.

Pension payments are taxed as income from employment.

### How much pension will I get?

Your guaranteed pension is based on the premiums paid and the guaranteed interest. Returns over and above the guaranteed interest are added as bonuses. The size of your pension also depends on when you start drawing it and the payment period you chose.

Change in the bonus means that the pay-outs can increase or decrease during the payment period.

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

### More about guaranteed interest and bonus

The guaranteed interest is calculated based on the interest rate at the time the premiums were paid.

A bonus is the amount paid in excess of the guaranteed insurance capital.

Bonuses are paid in the form of bonus interest when the business generates a surplus. The bonus rate is determined based on actual returns and VFF Pension's level of consolidation. Allocated (preliminary distribution) bonuses are not guaranteed and may be reduced in the event the results are unfavourable in the future.

Current information on guaranteed interest and bonuses is available on VFF Pension's website.

### Consolidation level determines the bonus

The level of consolidation is VFF Pension's total assets divided by the value of the association's obligations to its policyholders and other persons entitled to insurance. The association's obligations refer to the sum of the insurance's technical surrender values and allocated (preliminary distributed) bonus. Consolidation is 100% if the assets and the liabilities (obligations) are equal in size.

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

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

### Bonuses are distributed preliminarily

If the consolidation is outside the accepted range of 95% - 115%, there will instead be a one-off increase, or decrease, in the individual insurance capitals, an instantaneous resource 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%.

### Long-term Investment targets

VFF Pension continuously monitors developments on the money market and over the course of a year actively addresses the situation regarding the investments.

Current investment guidelines :

Type of asset	Normal weight
Interest-bearing securities	55 %
Shares	30 %
Real estate	8 %
Alternative investments	7 %

The goal is to generate, in the long-term, a minimum of 4% return on investment at an acceptable level of risk.

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### Administrative costs

To cover VFF Pension's costs for managing the insurance contracts, administrative charges/fees are levied.

Effective from 1 January 2018, the following charges/fees apply:

-0,5% Premium fee

-0,3% Charge on capital

Changes may be made to the charges/fees during the contractual period.

### Transferring of insurance

The insurance is non transferable.

### Applicable legislation

Swedish law applies on this insurance.

Pensions paid are taxed as income from employment.

### Inaccurate and/or incomplete data

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

### 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.

### More information

On our website [www.vffpension.se](http://www.vffpension.se) you will find information on all our insurances, financial data, annual reports, forms, etc. The various types of information and forms can also be ordered directly from us.

In addition to this pre-purchase information, you will also find the full insurance terms and conditions on our website.

### 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 a court of law.

### Enquiries - feedback - requests

You are always welcome to contact our customer service by phone +46 (0)31-66 12 10, email: [vff@volvo.com](mailto:vff@volvo.com) or by mail. See below for the mailing address.

### VFF Pension Försäkringsförening

VFF Pension Försäkringsförening, with Corporate No. 816400-4056, is the insurance provider.

VFF Pension Försäkringsförening is a mutual benefit association/occupational pension fund, owned by its members. Mutuality means that there are no shareholders, and any and all surplus accrues to its members in the form of bonuses.

The association is headed by a council and a Board of Directors.

The trade unions have the majority vote, but Volvo Group and Volvo Cars also appoint representatives.

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

### Addresses

Street address: Götaverksgatan 2, Gothenburg, Sweden

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

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