



# Terms and conditions for defined contribution pensions with individual investment choice

Applicable from 1 March 2023.

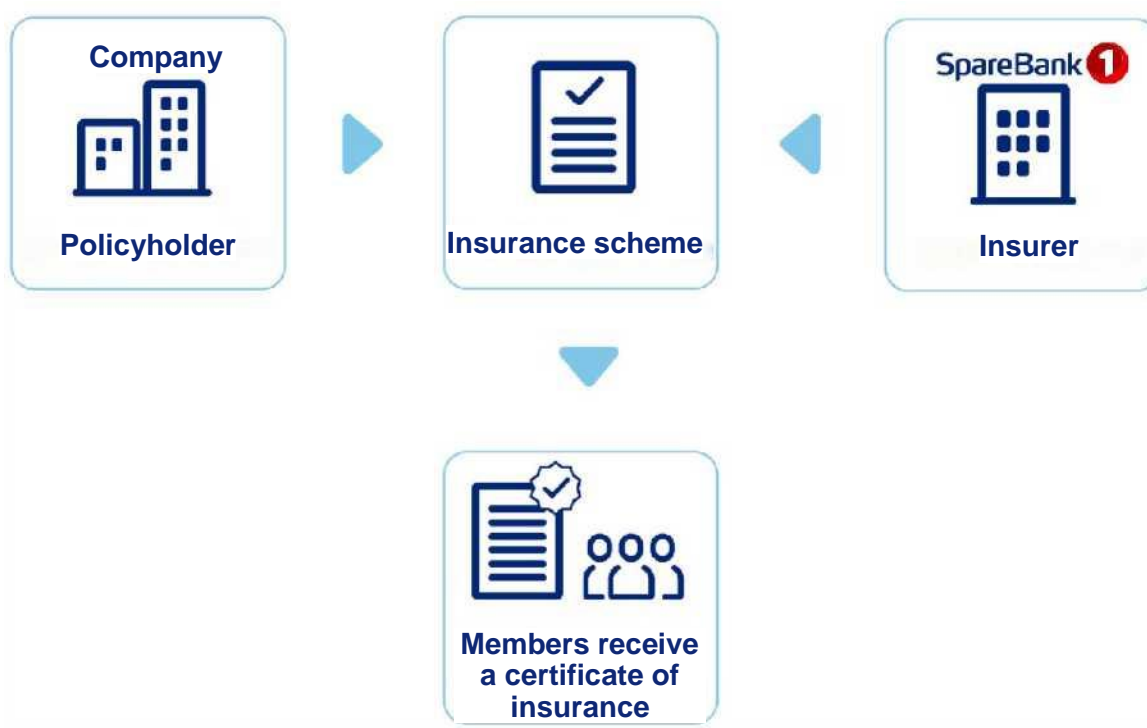
In the event of any doubts or inconsistencies between the Norwegian and English versions of this document, the Norwegian version shall take precedence.

## About defined contribution pensions from SpareBank 1

This document contains important information for both employees and employers (the company).

The company has entered into an agreement on defined contribution pensions with investment choice with SpareBank 1 Forsikring AS. This agreement is hereinafter referred to as the defined contribution pension scheme.

As an employee, you will be issued with a certificate of insurance when you become a member of the scheme. The certificate of insurance shows how much the company saves towards your retirement pension each year, how the savings balance will be disbursed as an annual retirement pension and the additional insurance that apply.



The terms and conditions of insurance set out the rules applicable to the company, employees and SpareBank 1 Forsikring AS. The terms and conditions of insurance apply in addition to the agreement and the certificate of insurance. These are the terms and conditions for defined contribution pensions with investment choice.

Part 1 and 2 of the terms and conditions of insurance describe the rights and obligations and have been adapted for each target group - employees and the employer. Nevertheless, it is important that both groups read both part 1 and part 2.

Part 3 describes how the defined contribution pension scheme works for employees and employers alike. Part 4 contains an overview of applicable legislation, while part 5 is a glossary of important terms and expressions.

## What are defined contribution pensions with investment choice?

The defined contribution pension scheme covers contributions towards a retirement pension. Each year, the company saves a fixed sum towards retirement pensions for members. Employees decide how the money will be invested.

The defined contribution pension scheme also includes the right to exemptions from contribution payments and other costs for employees who are ill for a prolonged period of time (contribution exemption). During the period in which the employee is exempt from making contributions, the contributions and other costs shall be covered by SpareBank 1 Forsikring AS.

If the employer has also taken out a disability pension, this shall be stated in the agreement and the certificate of insurance. The same shall also apply if the employer has taken out insurance for surviving spouses, cohabitating partners or children of employees in the event of death.

## Terms with which you should be familiar

When you read the terms and conditions, it is important that you are familiar with the following concepts:

- the *insurer* is SpareBank 1 Forsikring AS (also referred to as “SpareBank 1”, “we” or “us”). This means that SpareBank 1 is the provider of the defined contribution pensions with investment choice
- the *company* refers to the company that has entered into an agreement concerning defined contribution pensions with investment choice with SpareBank 1, see *policyholder*
- the *defined contribution pension scheme* is the written agreement that has been entered into between the employer and SpareBank 1 concerning defined contribution pensions with investment choice
- *certificate of insurance* is the written proof received by the employee when they are admitted as a member of the scheme
- the *policyholder* is the company that has entered into the agreement concerning defined contribution pensions with investment choice with SpareBank 1
- a *member* is an employee enrolled in the scheme

Part 5 also includes definitions and explanations of many of the key specialist terms used in this document.

## 1 Information for employees

*There are certain rights and obligations associated with defined contribution pension schemes at SpareBank 1 that you must be aware of.*

### 1.1 Who are the members of the pension scheme?

The company you work for has entered into an agreement with SpareBank 1 concerning defined contribution pension with investment choice. If you fulfil the admission criteria set out in the agreement, you will be a member of the pension scheme. This also applies to the employer (owner of the company), if they work for their own Company.

### 1.2 What are your rights as a member?

#### 1.2.1 You are entitled to a retirement pension

All members are entitled to own pension accounts for retirement pension savings. How much your employer saves on your behalf is specified in the certificate of insurance.

### **1.2.2 You are responsible for your own investment choices**

As a member, you will need to choose how your pension fund (balance) will be managed, both during the savings period and the disbursement period. You can choose from the investment options your employer has decided will be available to its employees.

You can also choose a different provider to the one your employer has chosen as the company's pension scheme provider. If you choose SpareBank 1 as your chosen provider, you can choose from all the investment options that SpareBank 1 offers for defined-contribution pensions.

You need to consider what risk you are willing to take in order to achieve the best possible return on your money. As a member, you will receive the full return, but you will also bear the full risk in the event of losses.

### **1.2.3 You may be entitled to insurance in addition to the retirement pension**

The company may purchase insurance for its employees in addition to the retirement pension.

You must be fully fit for work in a full-time position in order to be entitled to cover under the insurance. This also applies in the event that the sums insured are increased. The employer will confirm to us whether or not you are fully fit for work.

By fully fit for work, we mean that you are healthy and that your capacity for work and earning ability are not impaired. This means that you are in employment and that you are not signed off sick. If your position has been reduced for health reasons, you will not be considered fully fit for work.

In certain cases, you will also need to submit self-declarations concerning your health in order to be covered by the insurance or if the sums insured increase.

Your certificate of insurance will show which insurance you are covered by, how large the sum insured is and whether any limitations have been imposed upon your right to compensation.

### **1.2.4 You are entitled to select the starting age for the disbursement of your retirement pension**

You can choose when you want us to start disbursing the retirement pension. The earliest at which you may withdraw your pension is from the time at which you turn 62 years of age or earlier if a lower withdrawal age has been stipulated in your certificate of insurance (special age limit).

You can read more about retirement pensions in Clause 3.

### **1.2.5 You are entitled to a pension capital certificate (PCC) when you leave your job**

When you leave your job, you will be entitled to the savings balance from your defined contribution pension. You will then be issued with a pension capital certificate that shows your savings balance.

You will also receive a pension capital certificate when you start the disbursement of your retirement pension.

These terms and conditions also apply to pension capital certificates.

When you have received your pension capital certificate, you can freely choose a savings profile from the profiles or equity funds and fixed income funds offered by SpareBank 1.

## **1.3 What are your obligations as a member?**

### **1.3.1 You must furnish SpareBank 1 with the information we request (disclosure obligation)**

You have an obligation to provide correct and complete answers to questions from SpareBank 1 and, at your own initiative, to provide information about any matters of significance to SpareBank 1's risk.

If you or your employer are granted a claim for compensation under your insurance, you will need to update SpareBank 1 about your health condition and earning ability. You must also see a doctor if SpareBank 1 considers this necessary and follow the advice from the doctor.

If you fail to comply with the disclosure obligation, SpareBank 1's insurance liability may reduce or lapse.

### **1.3.2 You must notify us if you move abroad**

You must notify SpareBank 1 if you move abroad and become liable for taxes in another country while pension disbursements are being made. This means that you will pay taxes in the country where you live.

## **2 Information for employers**

*What are you responsible for as an employer? We will highlight some of the factors that are important for you as an employer below. You must also familiarise yourself with the rights and obligations of employees.*

### **2.1 What are your obligations as an employer?**

#### **2.1.1 You must furnish SpareBank 1 with the information we need (disclosure obligation)**

You have an obligation to provide correct and complete answers to questions from SpareBank 1. You must, on your own initiative, provide information about changes in your company that may affect SpareBank 1's risk. You must also report any changes in your company's responsibility to have mandatory occupational pension scheme or not.

If you or your employees fail to comply with the disclosure obligation, SpareBank 1's insurance liability may reduce or lapse.

As an employer, you may be liable for damages (regress) if SpareBank 1 suffers a financial loss due to errors or omissions relating to matters described in Clauses 2.1.1 to 2.1.3.

#### **2.1.2 You must update your membership information**

You must ensure that information about members is up-to-date. This means that you must

- enrol your employees in the pension scheme
- report any changes to FTE percentages
- report any changes in pay
- cancel enrolment for any members that leave the company or that

should not be included in the defined contribution pension scheme for any other reasons

- notify us if you want to claim any contribution exemptions for members who are on long-term sick leave
- notify us if a member dies

You must confirm whether the employee is fully fit for work or not when updating membership information. You can read more about this in Clause 2.1.2.1.

An employee who is not fully fit for work when they are admitted as a member will only be entitled to retirement pension savings. They may only be covered by contribution exemptions and any other insurance when they are fully fit for work again. A member must also be fully fit for work to be covered by any changes to the insurance and when their enrolment is cancelled.

As an employer, you must notify us when the employee is fully fit for work again so that the insurance can be updated.

The company can decide that employees will retain their membership of the defined contribution pension scheme while they are on leave or are laid off. When the law so permits, the company can also decide just to retain the insurance cover included in the scheme. The options chosen by the company must be specified in the agreement.

For employees who will retain their membership while on leave or laid off, the member's salary at the time they took leave or were laid off shall remain the same.

If it is agreed that the A-melding will be used to update member information, the company must ensure that the A-melding is always delivered in accordance with the guidance from the Norwegian Tax Administration.

When member information has been updated with information from the A-melding, please review the feedback from us and register any requested changes.

SpareBank 1 shall not be liable for any errors or discrepancies in member information when the error or discrepancy is a result of the A-melding not being delivered in accordance with the guidance.

### **2.1.2.1 What does it mean to be fully fit for work?**

By fully fit for work, we mean that the employee is healthy and that their capacity for work and earning ability are not impaired. This means that they are in employment and not signed off sick. If an employee's position has been reduced for health reasons, they will not be considered fully fit for work.

### **2.1.3 You must pay the defined contribution pension**

You must pay invoices from SpareBank 1 at the agreed time. You can read more about invoicing and payments in Clause 3.7.6.

**2.1.4 You must establish a steering committee if there are 15 or more members** If the defined contribution pension scheme covers 15 or more members, employers shall be required to establish a steering committee consisting of at least three people. A minimum of one of these people must be elected from and by the members.

The steering committee shall comment on matters relating to the management and application of the pension scheme.

## **2.2 You must choose a savings profile for the contributions fund**

The company shall be responsible for choosing how the funds in the contributions fund will

be invested.

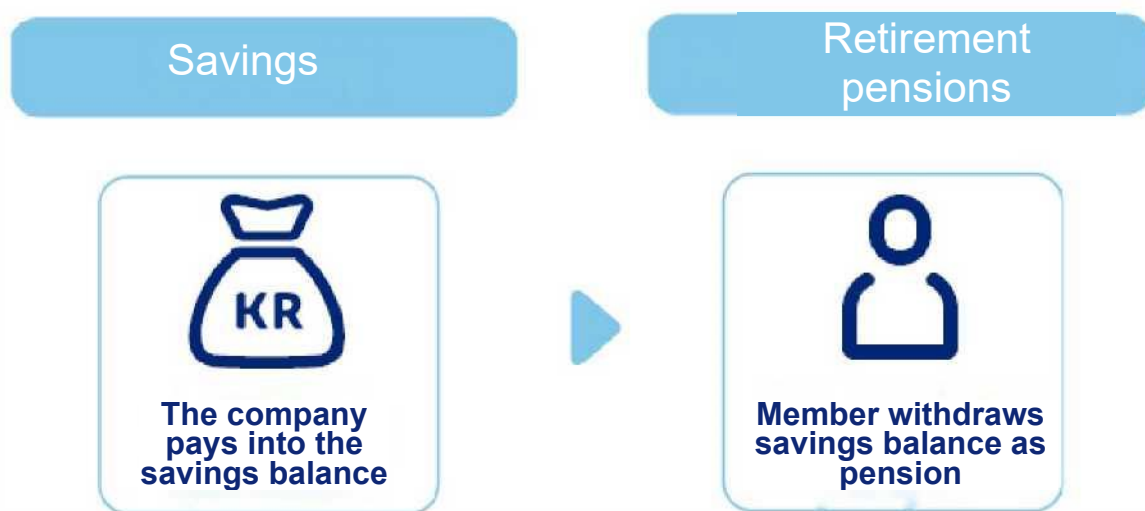
## 2.3 You may change the defined contribution pension scheme

As an employer, you may agree changes to the pension scheme with SpareBank 1 at any time. The changes must fall within the constraints of the legal framework. Changes must not reduce the value saved for each member at the time of the changes being made.

## 3 How the defined contribution pension scheme works

*The defined contribution pension scheme consists of two elements: a savings element and an insurance element.*

The savings element (savings balance) is the contributions and the return on your investments. The savings element shall be used for the disbursement of the retirement pension.



The insurance element is:

- Contribution exemption
  - Payment exemption adjustment
- Disability pension
  - Disability pension with a child supplement
  - Supplements to disability pension
- Child pension
- Spouse's pension
- Cohabitant's pension

You can read more about the insurance in sections 3.4 and 3.5.

## 3.1 When does the defined contribution pension take effect?

*This section provides you with information about when the agreement takes effect for the company and individual employees.*

### 3.1.1 Establishment of a defined contribution pension scheme agreement

The agreement on the defined contribution pension scheme applies from the date on which SpareBank 1 receives written notice that the offer has been accepted by the company, unless otherwise agreed.

The savings element of the agreement shall apply to all employees who meet the requirements for membership of the scheme on this date. The requirements are set out in the agreement.

The insurance the company has elected to buy for its employees shall apply from the date on which we receive the initial payment from the company (cash clause) and shall apply to all enrolled members who are fully fit for work.

For members who are not fully fit for work, the insurance shall apply from the date on which the member becomes fully fit for work again and SpareBank 1 has received a written declaration to that effect.

SpareBank 1 may require employees to submit a self-declaration concerning their health. In such a case, the insurance shall apply from the date on which the self-declaration is received and accepted by SpareBank 1. Alternatively, employees may be granted the insurance subject to special terms and conditions or the insurance may be refused.

### 3.1.2 Enrolment of new employees

For new employees, the savings element shall take effect from the date on which the new employee meets the conditions for membership of the scheme. The same shall apply to the insurance element if the new employee has been enrolled and is fully fit for work. If the individual is not fully fit for work, the insurance element shall apply from the date on which the individual becomes fully fit for work and we have received written confirmation.

SpareBank 1 may require employees to submit a self-declaration concerning their health.

### 3.1.3 Changes to the defined contribution pension scheme

Any increases to the contribution sum shall apply to all members from the agreed date.

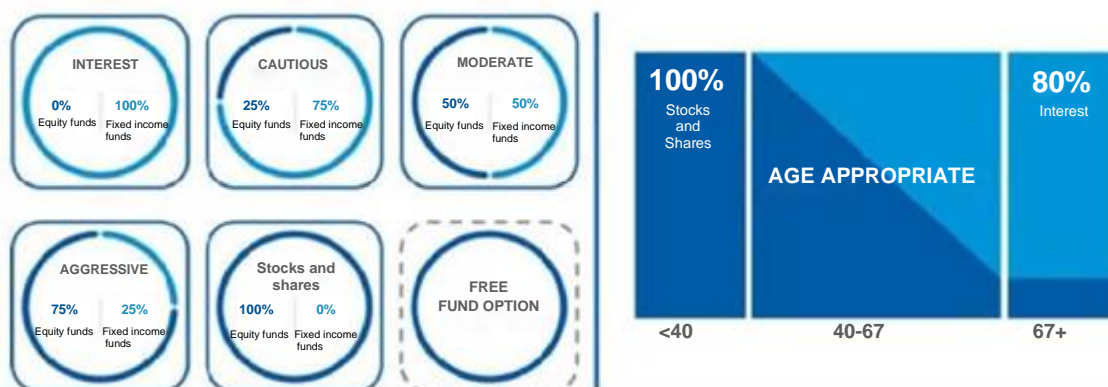
For members who are fully fit for work, any increases in the insurance shall apply from the date on which SpareBank 1 receives written notice of the increase and no earlier than from the agreed date. For members who are not fully fit for work, the increase shall apply from the date on which the member becomes fully fit for work again and SpareBank 1 has received a written confirmation to that effect.

SpareBank 1 may require employees to submit a self-declaration concerning their health.

## 3.2 How the choice of investment for the savings balance works

*In this section, you will find information about how the investment options work.*

### 3.2.1 SpareBank 1 savings profiles





We offer a range of savings profiles. A savings profile is a ready-made portfolio of funds that is one of several comprehensive investment options available at any time.

The savings profiles either have active management, Swan-labelled management or a combination of active and index (passive) management:

- Active management means that SpareBank 1 selects securities that we believe will provide the best returns based on our own analyses and assessments. Active management may contain smaller proportions of property and unlisted shares (Private Equity). In active management, SpareBank 1 also offers a Free Fund Option, in which members can create their own savings portfolio from available equity and fixed income funds.
- Index management means that we, as a manager, aim only to achieve around the same returns as a given equity or bond index. We call this a reference index. If the index covers equities or bonds we do not wish to invest in, we will replace these with others. Index management may contain a smaller proportion of property.
- Swan-labelled management means that the fund managers focus on investing in companies that are highly ranked in terms of corporate social responsibility and sustainability. The funds do not invest in fossil energy (oil, gas and coal), nuclear power, weapons, tobacco, alcohol or gambling. The costs associated with this management type are lower than active management since the equity management is less extensive.

The degree of risk associated with each savings profile is determined, among other things, by the ratio between fixed income funds and equity funds. The member may choose to adapt the downwards adjustment of equity funds in the savings profiles.

In age appropriate savings profiles, we gradually adjust the proportion of equity funds downwards from the age of 40 up to the age of 67. In the other savings profiles, we gradually adjust the proportion of equity funds downwards from the age of 57 up to the age of 67.

### **3.2.2 The company chooses the savings profiles that members can choose from**

The company determines the range of ready-made savings profiles members may choose from and whether members will be able to access the Free Fund Option. The company will also choose which savings profile the initial contribution will be invested in. The funds will be invested here until members instruct us otherwise.

### **3.2.3 Member selects where to invest savings balance**

Members are free to choose which savings profile to invest the savings balance in, based on selections determined by the company.

The ready-made savings profiles consist of both equity funds and fixed income funds or only equity funds or fixed income funds. If the company has decided that members will have access to the Free Fund Option, members can create their own savings profiles using the equity funds and fixed income funds available in the Free Fund Option.

The member may also choose to invest the savings balance with a different provider than the one selected by the company.

SpareBank 1 owns the equity and fixed income fund shares in the savings profiles and the Free Fund Option. This means that when members select a savings profile or Free Fund Option, they will not own the shares but will be entitled to the disbursement of the value of the savings balance as a retirement pension.

The value of the savings balance follows the price developments of the savings profile

chosen by the member and the return is determined by daily price developments. Returns can be positive or negative. This means that members may earn or lose money.

The full return will be paid into the member's savings balance but members are also liable for any losses incurred. The actual value and returns that can be achieved in the savings balance depend on developments in the financial market, costs and the choices made by the managers. Past returns are no guarantee of future returns.

### **3.2.4 SpareBank 1 buys and sells at the current price**

SpareBank 1 uses the contributions to buy shares in the relevant funds as soon as possible and no later than ten banking days after the payment has been received by us. This shall also apply if the member changes their savings profile.

SpareBank 1 buys and sells at the current price. The price of shares in the funds is determined on each day of trading.

### **3.2.5 How does SpareBank 1 manage investment choices?**

The value of individual funds will vary. In order to maintain the original distribution between equity funds and fixed income funds in the chosen savings profile, we will redistribute funds if required. We do this by buying and selling shares in underlying funds (rebalancing). We will perform rebalancing during both the savings period and the disbursement period and there are no additional costs associated with this.

### **3.2.6 When and how can SpareBank 1 make changes to the savings profiles and the Free Fund Option?**

SpareBank 1 shall be entitled to change the fund composition in the savings profiles, provided that the ratio between equities and interests is maintained.

We are entitled to change the fund selection available in the Free Fund Option, including by stopping the opportunity to invest in certain funds. This also applies to investments we have made in the past. We are also entitled to discontinue the Free Fund Option. We may, for example, make such changes based on our ethical assessments and Code of Conduct, by changing portfolio manager, terms of business, total amount invested, etc.

If we make changes to the fund selection, we will provide affected companies and members with the opportunity to move the investments to similar funds. If we do not receive notification of the new fund choices within a reasonable period of time, we may transfer the values to funds chosen by us. We will then inform the company and members of the change.

## **3.3 When do we disburse the retirement pension?**

*In this section, you will find information about when you can withdraw your pension and how we calculate the pension.*

### **3.3.1 When can members withdraw their retirement pensions?**

A member may withdraw their retirement pension when they turn 62 years of age or earlier if the company has a lower age limit for its employees. Members may also wait until they have turned 75 years of age before taking their retirement pension.

Members may choose between withdrawing all or part (less than 100 per cent) of the pension, although SpareBank 1 will always pay 100 per cent of the retirement pension from the time the employee turns 75.

The member must notify SpareBank 1 when they wish to withdraw their pension.

The retirement pension will in any case be paid when the member turns 75. If the

member does not wish to withdraw his or her retirement pension from the age of 75, he or she must notify SpareBank 1.

The part of the savings balance that the member wishes to withdraw as retirement pension will be transferred to a pension capital certificate by SpareBank 1. If the member chooses to withdraw 100 per cent of their retirement pension, we will transfer the full balance to a pension capital certificate. If the member chooses partial withdrawal, we will transfer a corresponding part of the balance to a pension capital certificate.

A pension capital certificate is an individual agreement between a person and SpareBank 1 and is not part of the company's pension scheme.

Retirement pension payments are disbursed for a minimum of ten years and shall cease no earlier than at the age of 77 (age of termination). Members may agree a higher age of termination than 77 years and a longer disbursement period than ten years. If the savings balance is low, we can still shorten the disbursement period in order to achieve an annual disbursement of around 20 per cent of the Norwegian National Insurance Basic Amount.

SpareBank 1 will disburse the pension through monthly payments from the 1st of the agreed month until the agreed date of termination. In the event of death occurring before this date, we will disburse the retirement pension up to and including the month following the date of death. Please see below to learn what happens to the remaining savings balance in the event of death.

### 3.3.2 How does SpareBank 1 calculate the disbursements?

We will calculate the monthly disbursements by dividing the savings balance by the number of months for which the retirement pension is due to be disbursed in the future. The disbursement amount depends on the price of each fund at the time of disbursement.

Members who receive disability pension cannot withdraw their retirement pension at the same time if the combined disability pension and retirement pension exceeds a withdrawal rate of 100 per cent. If a member becomes disabled after having started to withdraw their retirement pension, SpareBank 1 will reduce the retirement pension disbursements so that the withdrawal rate does not exceed 100 per cent.

### 3.3.3 What happens to the saved balance in the event of death?



In the event of death, the saved balance will be used as follows:

- The balance will be used to secure child pensions for children under the age of 21. For each child, the annual pension cannot exceed the Norwegian National Insurance Basic Amount. Children refers to children that the member provided for or had an obligation to provide for. Disbursements will cease if the child dies before the age of 21.
- If the balance is greater than is required to secure an annual pension for each child that is equal to the Norwegian National Insurance Basic Amount, we will use the rest of the balance to secure a survivor's pension for a spouse, cohabitant or registered partner for at least ten years. Disbursements will

cease if the spouse, cohabitant or partner dies.

- If there are funds left when each child has been secured a pension equal to the Norwegian National Insurance Basic Amount and there is no spouse, cohabitant or registered partner who is entitled to a survivor's pension, we will disburse the remaining balance to the estate as a lump sum.

### 3.4 What happens if a member is signed off sick?

*This section provides information about the insurance that may be covered for a member who is signed off sick under the defined contribution pension scheme.*

#### 3.4.1 Contribution exemption



SpareBank 1 will take over payments of contributions for a member who is on sick leave.

If a member is covered by a contribution exemption, the company shall be entitled to an exemption from making contribution payments to a retirement pension and the cost of the insurance risk when the member has been on continuous sick leave for at least 12 months during the insurance period. It can be stipulated in the agreement that the exemption from making contribution payments to a retirement pension and the cost of the insurance risk shall also apply for the first 12 months of the member's sick leave.

If the member has been on sick leave for less than 12 months, the company shall not be entitled to a contribution exemption.

SpareBank 1 determines how large a proportion of the contribution an exemption will be granted for. Contribution exemptions are determined in accordance with the degree of impaired earning ability. The lowest impaired earning ability that carries an entitlement to contribution exemptions has been stipulated in the agreement. How we determine the degree of impaired earning ability is addressed in Clause 3.4.2.

When SpareBank 1 grants a contribution exemption, we will take over further payments of the contributions to a retirement pension and the costs of the insurance risk for as long as the member remains sick. If a member has lost 100 per cent of their earning ability, we will take over the full contribution liability for the member. If the member has lost only parts of their earning ability, we will take over a corresponding part of the contribution, while the remainder must be paid by the company. This also ensures that the retirement pension savings for the member who is on sick leave are maintained.

The contribution exemption applies from the date on which the exemption entitlement arises and for as long as the member has an impaired earning ability that entitles them to a contribution exemption. The contribution exemption shall apply until the agreed age of termination for the exemption, but no longer than the date on which the member turns 67 years of age.

If the company has purchased an agreed adjustment of the contribution exemption, we will adjust the entire contribution exemption annually for as long as the contribution

exemption has been granted. In the case of members whose earning capacity has not been fully impaired, this means that we will also adjust that part of the contribution exemption for which no exemption has been granted.

#### **3.4.1.1 Limitations to the right to contribution exemptions**

The company shall not be entitled to contribution exemptions if the member's impaired earning ability is due to

- injury or exacerbation of injury that the member has deliberately caused, or
- illness, disability or injury that the member had or must be assumed to have known about when the member enrolled in the insurance scheme and that led to impaired earning ability within two years of enrolment. The same shall apply if the contribution exemption increases and this is not due to general pay increases in the company or increases in the Norwegian National Insurance Basic Amount. The two-year deadline shall be counted from the date on which the contribution exemption increases. If the member was enrolled in another private or public occupational pension scheme before admission to the insurance and there has been no interruption to the insurance of the contribution exemption, the two-year deadline shall be counted from admission to the previous occupational pension. If the contribution exemption is increased in connection with admission to the insurance, the two-year deadline for the increase shall apply from the day the contribution exemption increases. This provision shall not apply if SpareBank 1 requires self-declarations of health in connection with enrolment or increases.

#### **3.4.2 How does SpareBank 1 determine degrees of disability?**

When the company requests a contribution exemption for a member who has been signed off sick during the insurance period, the member must inform SpareBank 1 about all matters relating to the sick leave. SpareBank 1 shall also be entitled to request information from a doctor, hospital, NAV or other insurance companies.

We determine the member's degree of disability based on how much their earning ability has reduced due to illness or injury.

When we assess how much their earning ability has reduced, we will compare the member's earning abilities before and after the first day of sick leave. In our assessment, we will take into account the member's ordinary annual pay from the company before they became sick and their income from employment, as well as the income opportunities the member may subsequently acquire. We will emphasise the member's age, education, professional background and employment opportunities at their place of residence or other locations where it would be reasonable for the member to work.

Before the member is assigned permanent disability by NAV, we will assess how much the capacity for work has reduced by. As a general rule, we will use information from NAV as the basis for assessing earning ability and capacity for work.

For as long as we grant a contribution exemption to the company, the member shall have an obligation to inform SpareBank 1 about any changes to income and to be examined by a doctor when we request such an examination.

### 3.4.3 Disability pension



A member who is ill for a long time will be paid a disability pension from SpareBank 1.

If the company has taken out a disability pension and a member's certificate of insurance includes a disability pension, the member may be entitled to a disability pension when they have been on sick leave for a continuous period of at least 12 months. It is a requirement that the sick leave is due to illness or injury that has occurred during the insurance period.

SpareBank 1 will determine how large a proportion of the disability pension will be disbursed to the member. Disability pensions are determined in accordance with the degree of impaired earning ability. The lowest impaired earning ability that carries an entitlement to disability pension has been stipulated in the agreement. How we determine the degree of impaired earning ability is addressed in Clause 3.4.2.

If the disability pension includes entitlement to a child supplement, we will treat the supplement in the same way as the disability pension.

The member can receive a disability pension from SpareBank 1 regardless of whether they have been declared permanently disabled by NAV.

For as long as the member receives a disability pension, the member shall have an obligation to inform SpareBank 1 of any changes to income and to be examined by a doctor when we request such an examination.

#### 3.4.3.1 Supplements to disability pensions

If the company has taken out supplements to the disability pension and a member's certificate of insurance includes supplements to the disability pension, the member may be entitled to supplements to the disability pension when they have been on sick leave for a continuous period of at least 12 months. It is a requirement that the sick leave is due to illness or injury that has occurred during the insurance period.

SpareBank 1 will determine how large a proportion of supplements to the disability pension will be disbursed to the member. Supplements to disability pensions are determined in accordance with the degree of impaired earning ability. The lowest impaired earning ability that carries an entitlement to supplements to the disability pension has been stipulated in the agreement. The highest degree of disability that may entitle a member to supplements to the disability pension is up to 50 per cent. No supplements to the disability pension will be disbursed when a member is entitled to receive a work assessment allowance or disability benefit from NAV (Norwegian National Insurance Scheme). How we determine the degree of impaired earning ability is addressed in Clause 3.4.2.

For as long as the member receives supplements to the disability pension, the member shall have an obligation to inform SpareBank 1 of any changes to income and to be examined by a doctor when we request such an examination.

### **3.4.3.2 Limitations to the right to receive a disability pension and supplements to the disability pension**

A member shall not be entitled to a disability pension and supplements to the disability pension if the reduced earning ability is due to

- injury or exacerbation of injury that the member has deliberately caused, or
- illness, disability or injury that the member had or must be assumed to have known about when the member enrolled in the insurance scheme and that led to impaired earning ability within two years of enrolment. The same shall apply if the disability pension and supplements to the disability pension increase and this is not due to general pay increases in the company or increases in the Norwegian National Insurance Basic Amount. The two-year deadline shall be counted from the date on which the disability pension and supplements to the disability pension increase. If the member was enrolled in another private or public occupational pension scheme before admission to the insurance and there has been no interruption to the insurance of the disability pension and supplements to the disability pension, the two-year deadline shall be counted from admission to the previous occupational pension. If the disability pension and supplements to the disability pension increase in connection with admission to the insurance, the two-year deadline for the increase shall apply from the day the disability pension and supplements to the disability pension increase. This provision shall not apply if SpareBank 1 requires self-declarations of health in connection with enrolment or increases.

### **3.4.4 When will disability pensions and supplements to disability pensions be disbursed to members?**

We will disburse the disability pension and supplements to the disability pension from the date on which the member becomes entitled to a disability pension and supplements to the disability pension and for as long as the member has impaired earning ability that entitles them to a disability pension and supplements to the disability pension. The disability pension and supplements to the disability pension shall be paid for no longer than up to and including the month before the agreed age of termination, but no longer than up to and including the month before the member turns 67 years of age, or earlier in the event of death.

Nevertheless, the child supplement shall cease no later than at the end of the month in which the child turns 18 years of age or, if applicable, the month after the child's death. Supplements to a disability pension do not have a child supplement.

If a member dies, the disability pension and supplements to the disability pension shall be paid until the end of the month following the death.

#### **3.4.4.1 How are disability pensions and supplements to disability pensions coordinated with disability pensions and supplements to disability pensions from previous employment?**

If the member has disability pensions and supplements to disability pensions from paid-up policies pursuant to the Norwegian Enterprise Pensions Act, pension certificates pursuant to the Norwegian Act relating to occupational pension schemes or rights accrued under public sector occupational pensions, we will reduce the disability pension and supplements to the disability pension under this agreement by the sum of the other benefits. SpareBank 1 may calculate the deduction for previously accrued disability pensions and supplements to disability pensions either when the employee enrolls as a member or when the member is granted a disability pension and

supplements to the disability pension.

The member shall have an obligation to provide information about their entitlement to accrued disability pensions and supplements to accrued disability pensions from previous employment. In the event that it is found that the employee has received too little in disability pension and supplements to the disability pension, SpareBank 1 will disburse the difference as a lump sum. If the member has received too much disability pension and supplements to the disability pension, the member shall repay the difference to us. If the member fails to repay us, we shall be entitled to deduct the amount from any future disbursement of disability pension, supplements to the disability pension and retirement pension, or to collect the amount in other ways.

#### **3.4.4.2 How are disability pensions coordinated with work assessment allowance?**

The sum of the disability pension and work assessment allowance from NAV shall not be higher than 70 per cent of the member's pay, up to a maximum of 12 times the Norwegian National Insurance Basic Amount. By pay, we refer to the member's ordinary annual pay before their earning ability was impaired. If only part of the member's earning ability has been lost, we will determine the limit based on this.

SpareBank 1 will transfer the part of the disability pension that is not disbursed to the member to the company's contribution fund.

#### **3.4.4.3 How are disability pensions and supplements to disability pensions coordinated with income from employment?**

If the member has income from employment, the member shall have an obligation to inform SpareBank 1 of this, as well as any changes to the income.

SpareBank 1 shall make deductions from the disbursement of disability pension and supplements to disability pension when members simultaneously receive income from employment. If the member also receives disability benefits from the Norwegian National Insurance Scheme, the member shall be entitled to an income of up to 40 per cent of the Norwegian National Insurance Basic Amount (tax-free amount) before we make any deductions from the disability pension.

If the disability pension includes entitlement to a child supplement, SpareBank 1 will reduce the child supplement in the same way as the disability pension. In the event that it is found that the employee has received too little in disability pension and supplements to the disability pension, SpareBank 1 will disburse the difference as a lump sum. If the member has received too much disability pension and supplements to the disability pension, the member shall repay the difference to us. If the member fails to repay us, we shall be entitled to deduct the amount from any future disbursement of disability pension, supplements to the disability pension and retirement pension, or to collect the amount in other ways.

SpareBank 1 does not disburse disability pensions and supplements to disability pensions if the member's income in a calendar year amounts to more than 80 per cent of the member's income before becoming disabled.

### **3.5 What happens if a member dies?**

Here you will find information about the insurance that may be covered for survivors under the defined contribution pension scheme if a member dies.



### 3.5.1 Child pension



SpareBank 1 pays a child pension to a deceased member's surviving children.

If the company has taken out child pensions and a member's certificate of insurance includes a child pension, surviving children may be entitled to a pension if the member dies during the insurance period.

A child who wants to claim payment of a pension must inform SpareBank 1 themselves or with the help of a legal guardian as soon as possible.

The child shall be entitled to this pension from the first day of the month in which the member dies. We will disburse the child pension up to and including the month in which the child reaches the age the child pension terminates. The age of termination is stated in the insurance certificate. If the child dies before this age, we will disburse the pension up to and including the month after the child's death.

SpareBank 1 will divide the child pension equally between all children with an equal entitlement to the pension.

A child who is fully and permanently disabled due to illness or accident before he or she reaches the age where any child pension ends shall be entitled to a child pension beyond the age stated in the certificate of insurance.

### 3.5.2 Spouse's pension



SpareBank 1 pays a spouse's pension to a deceased member's surviving spouse.

If the company has taken out a spouse's pension and a member's certificate of insurance includes a spouse's pension, the surviving spouse may be entitled to a pension if the member dies during the insurance period. If stipulated in marriage law, surviving divorced spouses shall also be entitled to disbursement.

A spouse making a claim for the disbursement of a pension must inform SpareBank 1 of this as soon as possible.

The spouse shall be entitled to the spouse's pension from the first day of the month in which the member dies. SpareBank 1 shall make pension disbursements up to and including the month after the spouse's death but for no longer than until the age of termination stated in the certificate of insurance.

### 3.5.2.1 Limitations to the right to a spouse's pension

The surviving spouse shall not be entitled to the spouse's pension if:

- death occurs within one year of entering into marriage and the death was a result of an illness that the member already had and that it must be assumed that the member knew about at the time of entering into the marriage; or
- the marriage was entered into after the member turned 65 years of age; or
- the marriage was entered into after the member's earning ability had been reduced by 50 per cent or more.

### 3.5.3 Cohabitant's pension



SpareBank 1 pays a cohabitant's pension to a deceased member's surviving cohabitant.

If the company has taken out a cohabitant's pension and a member's certificate of insurance includes a cohabitant's pension, the surviving cohabitant may be entitled to a pension if the member dies during the insurance period. The right to a survivor's pension for spouses or registered partners shall take precedence over the right to a cohabitant's pension.

A cohabitant making a claim for the disbursement of a pension must inform SpareBank 1 of this as soon as possible.

The cohabitant shall be entitled to the cohabitant's pension from the first day of the month in which the member dies. The pension shall be disbursed monthly up to and including the month after the cohabitant's death but for no longer than until the age of termination stated in the certificate of insurance.

#### 3.5.3.1 Limitations to the right to a cohabitant's pension

The cohabitant shall not be entitled to a pension if

- death occurs within one year of entering into cohabitation and the death was a result of an illness that the member already had and that it must be assumed that the member knew about at the time of entering into the cohabitation; or
- the cohabitation was entered into after the member turned 65 years of age; or
- the cohabitation was entered into after the member's earning ability had been reduced by 50 per cent or more.

## **3.6 What rules apply in the event of delays and expiration of the limitation period for disbursement?**

### **3.6.1 What happens if SpareBank 1 is delayed in making disbursements?**

If SpareBank 1 is delayed in making retirement pension disbursements requested by the insured that the insured is entitled to by more than two months, we shall pay interest on overdue payments.

We shall pay interest on overdue payments if more than two months have passed since we received a claim for a disability pension, child pension, spouse's or cohabitant's pension without us having disbursed pension payments that the recipient is entitled to.

The individual who is entitled to disbursement of payment cannot claim interest on overdue payments before providing the information requested by SpareBank 1. The same shall apply if the individual refuses full or partial settlement.

### **3.6.2 When does a claim for disbursement expire?**

Claims for the disbursement of pensions shall expire when ten years have passed since the day on which the individual claiming the disbursement could have received their initial pension disbursement. However, we will not backdate disbursements by more than three years.

## **3.7 What does the defined contribution pension cost?**

*In this section you can read about the costs associated with the defined contribution pension and the rules applicable to contributions.*

### **3.7.1 Contributions towards retirement pensions**

The company shall make contributions towards members' retirement pensions as stipulated in the contribution schedule included in the agreement.

### **3.7.2 Insurance risk cost**

For contribution exemptions, SpareBank 1 calculates a one-year insurance risk cost without paid-up policy entitlement. The same shall apply to any disability pensions and survivor's pensions.

The insurance risk cost for the various risk coverages depends, among other things, on the member's gender, age and profession, the insurance sum and the agreed disbursement period. SpareBank 1 shall be entitled to change the rates for risk.

### **3.7.3 Administration cost**

SpareBank 1 shall calculate and invoice the company for the administration costs of the agreement in accordance with the applicable rates at any given time.

The holder of a pension capital certificate pays the costs of administering the pension capital certificate funds themselves. The costs will be deducted from the balance.

SpareBank 1 can change the rates for, and what is covered by, administration costs.

### **3.7.4 Costs associated with managing savings balance**

Management costs are calculated as a percentage of the balance and cover the costs associated with managing the member's balance. The company shall pay the management costs for as long as an employee is a member of the defined contribution pension scheme. The company is not liable to pay for capital added to the scheme from other employment relationships and other pension schemes. However, the agreement may specify that the company will in fact also pay the costs associated with managing

such capital.

The holder of a pension capital certificate pays the costs associated with managing the pension capital certificate's balance themselves. The costs will be deducted from the balance.

SpareBank 1 can change the prices for managing savings balances.

### **3.7.5 Costs associated with managing premium reserves**

Management costs for premium reserves are calculated as a percentage of the capital that has been set aside and cover the costs associated with the management. The premium reserves that are managed in the pension scheme are capital that has been set aside for the payment of contribution exemptions, disability pensions and survivor's pensions.

The company pays the costs associated with managing the premium reserves for members of the pension scheme and for survivors who are paid a survivor's pension from the pension scheme.

SpareBank 1 can change the prices for managing premium reserves.

### **3.7.6 Costs associated with guaranteed interest**

Where SpareBank 1 guarantees interest, we calculate costs for the guarantee. The costs are calculated as a percentage of the capital subject to guaranteed interest.

SpareBank 1 can change the prices for guaranteed interest.

### **3.7.7 Other price elements**

SpareBank 1 shall be entitled to introduce other price elements to those mentioned above. Any changes will be notified in writing at least four months prior to entry into force.

### **3.7.8 Invoicing and payments**

SpareBank 1 shall invoice the company for contributions towards retirement pensions and the costs for insurance risk, management and guaranteed interest. The costs associated with managing that part of the savings balance's capital that was added from other employment relationships shall be paid by the member, unless the agreement specifies otherwise.

The payment from the company covers all of the members. This also applies to

- Members on statutory leave
- Members on leave other than statutory leave if the agreement specifies that they shall be members during the period of leave.
- Members who are laid off if the agreement specifies that they shall be members during the period they are laid off.
- Members who combine withdrawal of a defined contribution pension with paid work for the company.
- Members who fall ill while they are employees of the company until the claim for a contribution exemption has been decided.

Members who have been granted a full or partial contribution exemption.

The company shall pay the costs associated with administration and management for all members. Costs associated with pension capital certificates will be deducted from the balance.

Prices and costs calculated based on the Norwegian National Insurance Basic Amount shall increase at the same time as the Norwegian National Insurance Basic Amount

increases.

### **3.7.9 Payment deadline**

The company shall have a payment deadline of one month. If the company fails to make payment by the deadline, SpareBank 1 shall cover the outstanding amount from the company's contribution fund.

If the outstanding amount cannot be covered by the contribution fund and the company also fails to pay by the deadline, SpareBank 1 will send a reminder to the company. The reminder shall have a payment deadline of at least 14 days and shall include information stating that if the company fails to pay by the deadline, the defined contribution pension scheme shall end.

## **3.8 Contribution fund**

*In this section you can read about how the contribution fund works.*

SpareBank 1 shall create a contribution fund linked to the defined contribution pension scheme. The company shall be responsible for selecting a savings profile for the contribution fund in the same way as members do for their savings balance.

If, at the end of the year, the fund is greater than six times the average of contributions in accordance with the contribution schedule for the current and last two years, including the insurance risk cost and other costs, the company shall ensure that SpareBank 1 transfers any excess funds to the company.

### **3.8.1 Funds in the contribution fund**

The company may pay funds into the contribution fund. The payment can be up to 50 per cent of the average of the current and last two years' contributions according to the contribution schedule and the insurance risk cost. As a maximum, the contribution fund can amount to six times the average of the current and last two years' contributions according to the contribution schedule and the insurance risk cost.

If the company has paid for a period after a member's enrolment has been cancelled, SpareBank 1 shall transfer any excess amounts paid to the contribution fund.

If the company is granted a contribution exemption for a member, we will transfer any excess amounts paid as contributions and insurance risk costs to the contribution fund.

When a member is granted a disability pension or disability pension with a child supplement and SpareBank 1 must reduce the payment by any work assessment allowance or income from employment, the reduction will be transferred to the fund.

If a member who has been granted a disability pension receives a salary or other remuneration from the company, SpareBank 1 will transfer the disability pension to the contribution fund. This shall apply only if the payment from the company, together with disability benefits from NAV, is greater than the pay on the first day of sick leave.

If SpareBank 1 must reduce a disability pension in disbursement by a disability pension disbursed from somewhere else, the reduction will be transferred to the contribution fund.

### **3.8.2 Use of funds in the contribution fund**

The company may decide that SpareBank 1 should fully or partly cover invoices for the scheme from the contribution fund.

If a member has received too little disability pension due to incorrect information about income from employment or previously accrued disability pensions, the company may decide that SpareBank 1 will transfer funds from the contribution fund to cover the shortfall in the disbursed disability pension.

In the event that the contribution fund exceeds three times the average of the current and last two year's contributions according to the contribution schedule and the insurance risk cost, the company may, in consultation with the steering committee for the pension scheme, decide that SpareBank 1 shall transfer the surplus to the company.

### **3.9 What happens when a member leaves the company?**

*Here you can find information about the rights and obligations of the company and individual members in the event that a member leaves their job.*

#### **3.9.1 What obligations does the company have when a member leaves?**

##### **Cancellation of enrolment**

When a member leaves the company, the company must cancel their enrolment in the defined contribution pension scheme. The same shall apply if a member takes leave or is furloughed and it has been agreed that enrolment shall be cancelled in such cases.

Enrolment cannot be cancelled if the defined contribution pension includes contribution exemptions and the member is not fully fit for work. The member's enrolment can still be cancelled if SpareBank 1 does not grant a contribution exemption. If the impaired earning ability is lower than the degree of disability that carries an entitlement to contribution exemptions, the enrolment may still be cancelled.

The cancellation of the enrolment shall be submitted by the company to SpareBank 1 together with a fitness for work declaration.

#### **3.9.2 Is the member entitled to their savings balance upon cancellation of enrolment? Pension capital certificate (PCC)**



A member whose enrolment is cancelled shall retain their rights to the savings balance. SpareBank 1 shall transfer the savings balance to a pension capital certificate.

A pension capital certificate is an individual agreement between the former member and SpareBank 1. The individual who owns the pension capital certificate can still change their savings profile. They will no longer be bound to the company's selection of savings profiles and will be free to choose from all of the savings profiles we offer.

#### **3.9.3 What happens to insurance in the event of cancellation of enrolment?**

In the event of cancellation of enrolment, any disability pension and survivor's pension shall end in full no sooner than 14 days after SpareBank 1 has sent information about the cancellation of enrolment to the member. If SpareBank 1 has not been notified that the member has left the company, the insurance shall end two months after the member leaves.

In the event that insurance claims arise that SpareBank 1 must cover before the insurance

has ended and the member has, in the meantime, secured corresponding coverage through a new employer and receives compensation under this, disbursements may be reduced by SpareBank 1.

### 3.9.4 Can a member choose to continue contributing towards the savings and the insurance themselves?



A member shall be entitled to enter into an agreement with SpareBank 1 to continue making contributions towards retirement pension savings after cancellation of the enrolment in the scheme. The member may also establish an individual agreement for a disability pension and a survivor's pension with the same insurance sum and period as before without submitting a self-declaration on health. The member must enter into an agreement concerning continued savings and insurance within six months of SpareBank 1's liability ceasing.

SpareBank 1 shall inform the member of this option when he or she withdraws from the scheme. The price will be the price applicable to individual insurance at the time in question.

## 3.10 Right to returns and profits

*In this section you can read more about returns and profits.*

### 3.10.1 Return on savings balance

The member shall be entitled to the return accrued on the savings profile. The return can be positive or negative, causing the balance to increase or decrease.

### 3.10.2 Posted returns in excess of guaranteed interest and profits on insurance risk

When SpareBank 1 achieves posted returns in excess of the guaranteed interest and/or profit on insurance risk for contribution exemptions and disability or survivor's pensions, this shall be used as follows:

- Contribution exemptions and disability pensions in disbursement are regulated annually based on the added share of the profit and any funds in the disability adjustment fund. If the profit indicates a higher adjustment than the permitted upper limit, the excess part of the profit will be added to the disability adjustment fund.
- Survivor's pensions in disbursement are adjusted annually in the same manner.

### 3.10.3 Upper limit for adjustments

Contribution exemptions, disability pensions and survivor's pensions in disbursement may not be adjusted in one year, as a result of the achieved return or profit, by more than the percentage increase in the Norwegian National Insurance Basic Amount.

For granted contribution exemptions with agreed adjustment, the agreed adjustment shall still apply even if this adjustment exceeds the percentage increase in the Norwegian National Insurance Basic Amount.

### 3.11 What rights do members have if the defined contribution pension scheme ends?

*In which cases would the defined contribution pension scheme end and what happens to the members' rights? You can find information about this here.*

#### 3.11.1 When does the defined contribution pension scheme end?

If the company suspends activities or the employer remains as the only member of the pension scheme, the entire defined contribution pension scheme shall end. The same shall apply if the company terminates the agreement or fails to make payment as agreed.

#### 3.11.2 Is the member entitled to the savings balance in the event that the scheme ends? Pension capital certificate (PCC)



The member shall retain their rights to the savings balance if the defined contribution pension scheme ends. SpareBank 1 shall transfer the savings balance to a pension capital certificate. The individual who owns the pension capital certificate can still change their savings profile. They will no longer be bound to the company's selection of savings profiles and will be free to choose from all of the savings profiles we offer.

#### 3.11.3 What happens to insurance in the event of the scheme lapsing?

Insurance that is not in disbursement shall end in full.

We will notify members that the defined contribution pension scheme is ending. Insurance shall cease one month after members having received written notice from us.

Disability pensions, child pensions and spouse's or cohabitant's pensions in disbursement shall not be affected by the scheme lapsing.

For members who went on sick leave (impaired earning ability) before the insurance ceased but who, at the time, were not yet entitled to disbursement from us will be assessed for disbursement in accordance with these terms at a later date.

In the event that insurance claims arise that SpareBank 1 must cover before the insurance has ended and the member has, in the meantime, secured corresponding coverage through a new employer and receives compensation under this, disbursements may be reduced by SpareBank 1.



### 3.11.4 Can a member choose to continue contributing towards the savings and the insurance themselves?



A member shall be entitled to enter into an agreement with SpareBank 1 to continue making contributions towards retirement pension savings after the scheme has ended. The member may also establish an individual agreement for a disability pension or survivor's pension with the same insurance sum and period as before the scheme ends without submitting a self-declaration on health. The member must enter into an agreement concerning continued savings and insurance within six months of SpareBank 1's liability ceasing.

SpareBank 1 shall inform the member of this option when the scheme ends. The price will be the price applicable to individual insurance at the time in question.

### 3.12 What happens if the company moves the defined contribution pension scheme to a different company?

*Here you can find information about the rules that apply if the company chooses to change its defined contribution pension scheme provider.*

Before the company can terminate the defined contribution pension scheme in order to move it to another pension provider, the steering committee shall comment on the issue. Pension scheme members should also have the opportunity to comment.

the company shall be subject to a notice period of two months if the agreement is to be transferred to another pension provider. SpareBank 1's liability shall cease upon expiration of the deadline or at a later date if agreed between the company and us. From the same date, the receiving pension provider shall assume the liability for the savings and insurance.

Members who have chosen a customer-selected provider for their pension savings will retain their agreement with that customer-selected provider even if the company moves its defined contribution pension scheme.

### 3.13 What happens if the company converts the defined contribution pension scheme to another scheme?

*Here you can find information about the rules that apply if the company chooses to convert the defined contribution pension scheme to an occupational pension scheme (hybrid).*

A Company that has an agreement in place concerning retirement pension savings pursuant to the Norwegian Act relating to defined contribution pension schemes may convert this to retirement pension savings pursuant to the Norwegian Act relating to occupational pension schemes.

Any retirement pension savings plans shall end upon conversion, pursuant to the Norwegian Act relating to defined contribution pension schemes. For each member, SpareBank 1 will transfer the accrued balance to a pension capital certificate, unless

otherwise agreed.

SpareBank 1 shall transfer the contribution fund to a premium fund to the new scheme.

### **3.14 What changes can SpareBank 1 make?**

*This section addresses the changes we can make to the terms and conditions, costs and procedures.*

SpareBank 1 shall be entitled to make changes to the terms and conditions during the insurance period to ensure that these are in accordance with legislation. This shall also apply in the event of the introduction of new or amended legislation. Legislation includes laws, regulations, supplementary interpretations (circulars and similar) and other orders from public authorities. We may also make practical and editorial changes to the terms and conditions.

The rates may be changed by SpareBank 1. We may also introduce new price elements. If the rates increase or new price elements are introduced, we will notify the company at least four months before such changes take effect.

SpareBank 1 shall also be entitled to change the payment method and procedures.

We shall also be entitled to change funds, discontinue funds and include new funds. You can read more about this in Clause 3.2.5.

### **3.15 What happens in the event of circumstances that are outside of SpareBank 1's control?**

*In this section you will find information about the various situations that could change our responsibilities under the agreement.*

#### **3.15.1 Turbulence in the financial markets**

In the event of stock exchange closures or other situations that prevent the stock exchanges from calculating or redeeming the value of fund shares for a period (force majeure), SpareBank 1 may, subject to the consent of the Financial Supervisory Authority of Norway, postpone its obligations under the defined contribution pension scheme.

#### **3.15.2 War and disaster**

In the event that Norway goes to war, the King may decide that benefits under life insurance policies will be disbursed only in part. The King may also make other necessary changes to life insurance policies in order to cover losses in a life insurance company resulting from wars or disasters.

In the event that a member dies or becomes disabled as a result of participation in war under the command of a country that is not allied with Norway, SpareBank 1 shall be absolved of liability unless otherwise agreed. This shall not apply to Norwegian military personnel who participate in humanitarian or peacekeeping operations on behalf of the United Nations (UN).

## **4 References to laws and regulations**

These terms and conditions of insurance shall apply to pension schemes pursuant to the Norwegian Act relating to defined contribution pension schemes in employment relationships (the Defined Contribution Pensions Act).

The terms and conditions of insurance describe the general terms and conditions applicable to the defined contribution pension scheme. The terms and conditions shall also apply to pension capital certificates where appropriate.

The rules set down in laws and regulations shall apply in addition to the terms and conditions. The following laws are particularly relevant for defined contribution pension schemes:

- Mandatory Occupational Pensions Act
- Defined Contribution Pensions Act
- Occupational Pensions Act
- Company Pensions Act
- Securities Funds Act
- Insurance Contracts Act
- Insurance Activities Act
- Financial Institutions Act
- Marriage Act The

defined contribution pension scheme  
complies with Norwegian law.

In the event of conflict between the rules set out in the certificate of insurance and the rules set out in the terms and conditions of insurance, the rules set down in the certificate of insurance shall apply. This means that the certificate of insurance for the member and the defined contribution pension scheme between the company and SpareBank 1 shall take precedence over the terms and conditions. The certificate of insurance, the defined contribution pension scheme and the terms and conditions of insurance shall apply, in this order, ahead of any legal provisions that may be waived.

## **5 Definitions and explanations of words**

*Below you can find a list of definitions of some of the terms used in this document.*

### **Return**

Gains or losses on the savings balance.

### **Agreement**

Agreement refers to the defined contribution pension scheme entered into between the company and SpareBank 1 Forsikring AS. See also *Defined contribution pension scheme*.

### **Banking days**

Days of the year on which Norwegian banks are open.

### **Interest**

The Interest investment option consists of fixed income funds. The returns and fluctuations risk associated with this savings profile are low.

### **Children**

The member's children, including adoptive children, stepchildren and foster children.

### **Fund**

A securities fund is a collective investment portfolio in which many participants (private individuals and companies) come together to invest their funds in the securities market. Management is performed by a fund management company.

SpareBank 1 owns the shares in the funds in which the savings balance is invested. Members are entitled to receive disbursements that, in total, are equal to the value of the savings balance.

### **Survivor's pension**

Child pension, spouse's pension or cohabitant's pension.

**National Insurance Basic Amount (G)**

A fixed amount used to calculate benefits in the Norwegian National Insurance Scheme. The amount is adjusted on 1 May each year and is set by the Norwegian parliament (Storting).

**Certificate of insurance**

SpareBank 1's written confirmation that the employee has been enrolled as a member of the defined contribution pension scheme and that shows the member's rights and obligations under the scheme.

**Insurer**

SpareBank 1 Forsikring AS (also referred to as "SpareBank 1", "we" or "us").

**Policyholder**

the company that has entered into an agreement concerning a defined contribution pension scheme with SpareBank 1.

**Insurance period**

The period during which the member is covered by a contribution exemption, disability pension or survivor's pension.

**Continued insurance/continued pension savings**

Individual savings schemes and any insurance that the member is entitled to take out without any requirements for new health information if the employee leaves the company or the pension scheme ends.

**Defined contribution pension scheme**

The defined contribution pension scheme is the written agreement between the company and SpareBank 1 Forsikring AS. The agreement includes contributions towards retirement pensions and contribution exemptions. If the company has taken out a disability pension, spouse's, cohabitant's or child pension, this will also be specified in the agreement.

**Savings fund**

A collection of equity funds and fixed income funds offered by SpareBank 1. The equity and fixed income funds are wholly or partly actively managed, factor managed or consist of index-tracking funds.

**Investment choice**

The decision regarding how the savings balance will be invested. The member's choice of SpareBank 1's savings profiles or their own composition of equity funds and fixed income funds available under the Free Fund Option.

**Gender**

This is the person's legal gender.

**Member**

The employer and the employees that meet the conditions for admission in the regulations applicable to the pension scheme. Employees who go on sick leave while employed by the company and for which contributions are being paid are also considered members.

**Pension scheme**

The same as the defined contribution pension scheme.

**Pension capital certificate**

Balance accrued in a defined contribution pension.

**Adjustment fund for contribution exemptions and disability pensions**

This is a customer fund that consists of the profits from interest and insurance risk for disability. The fund is only used to adjust contribution exemptions and disability pensions in disbursement, and in those cases where the profit and agreed adjustment result in a lower increase than the increase in the Norwegian National Insurance Basic Amount.

**Pensioners' surplus fund**

This is a customer fund that consists of the profits from interest and insurance risk for survivor's pensions. The fund is only used to adjust child pensions, spouse's pensions and cohabitant's pensions in disbursement, and in those cases where the profit results in a lower increase than the increase in the Norwegian National Insurance Basic Amount.

**Insurance risk cost**

The costs associated with contribution exemptions, disability pensions, child pensions, spouse's pensions and cohabitant's pensions.

**Cohabitant**

A person that the member lives with and has children in common with or lives with in a relationship that is similar to marriage or partnership. The relationship must have been continuous for the last five years before death. There must be no circumstances that would have precluded the parties from entering into a lawful marriage.

**Savings balance**

The savings balance is the contributions and returns on your investments. The savings balance is the value of the fund shares (savings profile) you have chosen and is calculated based on the current price. The savings balance will be used for the disbursement of the retirement pension.

**Free Fund Option**

An investment option that lets you put together your own savings profile by choosing from among various equity and fixed income funds offered by SpareBank 1. The Free Fund Option is not offered to members when the company has chosen index or Nordic Swan ecolabelled management

In the event of any doubts or inconsistencies between the Norwegian and English versions of this document, the Norwegian version shall take precedence.