



Corporate Pension Insurance

Product description Valid as of 10 March 2021

Mandatum Life's Corporate Pension Insurance is a personal pension insurance which can be used to improve the statutory pension insurance cover and/or allow retirement before the statutory age. It is well-suited for self-employed persons and it is also a good means to reward the key employees of a company and make them committed to the company's objectives.

Benefits for self-employed persons, employers and employees

- **Ensuring sufficient pension cover.**
Statutory pension cover is not always enough to maintain the desired standard of living. For a self-employed person, the statutory pension is calculated on the basis of earnings within the scope of the Self-employed Persons' Pension Act (YEL). The amount of YEL earnings is often lower than the true earnings are and thus the pension and other statutory covers are lower than desired. Voluntary insurance can supplement both an employee's and a self-employed person's cover in a financially sensible way and safeguard their livelihood during retirement.
- **Preparing for changes.**
Voluntary pension insurance can be used in generation handovers. If saving for retirement is started in good time, the pension savings create a financial security the

retiring entrepreneur can rely on. As the entrepreneur changes, the staff also face a new situation. Voluntary pension insurance can be used to keep competent and skilled employees from changing jobs.

- **Attracts skilled persons and results in committed personnel.** Voluntary pension insurance is a good competitive tool in the recruitment market. With optional pension insurance the company can make the employees committed to the company.

When regular payments are made into the insurance annually, pension savings increase in size as the employee continues in the service of the company.

- **Cost-effectiveness and flexibility.** The pension insurance premiums are usually deductible from corporate taxation and thus the company can invest the saved assets to generate returns. Pension insurance is a good benefit financially. Pension insurance premiums are not usually considered to constitute a salary unless

they exceed EUR 8,500 annually. No indirect labour costs are incurred on them, which gives employees the opportunity to get more for the same amount compared to, for example, a bonus paid in cash.

When transferring pension savings from one investment to another, the return accumulated in connection with the transfer is not taxed as capital gains. Thus the return will accrue the future pension.

The insurance allows for the flexible payment of insurance premiums according to the company's financial situation. The company can take its financial situation into account and spread out the costs of the Corporate Pension Insurance as it sees fit. There are many options for investing the insurance.

- **Security in case of death, unemployment and disability.** Self-employed persons often take out a loan and their or their families' property serves as the guarantee for the loan. A life insurance policy is linked to the pension insurance and it covers 100% of insurance savings during the savings and pension periods, until the age of 90. With certain preconditions, it is also possible to withdraw the savings in case of incapability to work or unemployment.

Corporate Pension Insurance always includes life insurance: if the insured dies, the beneficiaries receive an agreed portion of the pension savings. The beneficiary can be the family, a nominated person or the policyholder, i.e., the company. The life insurance cover is valid throughout the pension period, however, at most until the age of 90.

Accumulated insurance savings may be paid to the policyholder as disability pension before the pension period specified in the contract if the Social Security Institution or employment pension institution has granted the insured a partial or full disability pension for the time being.

The pension paid to the insured affects his/her earnings-related daily unemployment benefit and possible national pension.

Easy-to-use e-services for insured persons and employers

On the Web Service, at the address www.mandatumlife.fi, the insured can view the payments made to the insurance, the amount of savings and their distribution into investment objects, the investment plan and insurance coverage and beneficiaries. On the Web Service, the user can make changes to the investment plan and savings distribution, change the life insurance beneficiary and fill in a pension application.

As a representative of your company, the most convenient way for you to take care of insurance matters is on our Web Service. A person authorised by the policyholder can access up-to-date information on our Web Service. The use of the service requires an electronic transaction agreement that can easily be made online. The authorised user signs in using his or her personal bank identifiers. The Web Service contains information on pension savings, their amount and distribution among investment objects, the investment plan and insurance coverage and beneficiaries. If you have any questions, contact our service for corporate customers at the number +358 200 31190 (Inc/mnc).

Investing pension savings

Corporate Pension Insurance is a unit-linked insurance, i.e. the return on pension savings and the final amount of pension are based on the value development of the chosen investment objects.

Wide selection of investments

The employee is able to invest in the long term both before retirement and during the pension period. The investment objects can be chosen from a large selection, which provides options for pension investors' needs in particular.

Changes can be made freely to the investment plan

Changes to the investment plan can easily be made on the Web Service. No fees will be charged on changes made to the investment objects through the Web Service. Changes to the investment plan made through our customer service or transfers of pension savings can be carried out free of charge twelve times in a calendar year. More frequent changes will entail an administration fee in accordance with the price list.

The development in the value of unit-linked insurances is based on the development in the value of the investment objects chosen by the policyholder or insured. The value of investment objects may increase or decrease. The past performance of investment objects is not indicative of their future performance. If the investment objects include investments other than those denominated in euro, changes in exchange rates will affect the development in the value of the investment object.

The policyholder or insured independently decides on the selection of investment objects in accordance with their own investment objectives, and bears the risk of a decrease in or loss of the value of the savings. Neither Mandatum Life Insurance Company Limited nor its agents are liable for the performance of the investments.

The information on investment objects and other investing is provided for information purposes only. Prospective policyholders must carefully familiarise themselves with the terms and conditions and brochures relating to the insurance and investments before taking out or changing an insurance contract.

Pension period

Withdrawals of Corporate Pension Insurance pensions can begin at the retirement age given in the table below:

Birth year	Retirement age
1957 or earlier	68 years
1958–1961	69 years
1962 or later	70 years

The pension may be paid for a predefined period. The pension period must be a minimum of ten years. The pension period can be shortened by two years for each postponement year based on the Employees Pensions Act with a maximum of four years.

The beginning and end of the retirement can, if desired, be freely postponed until later, but the pension period must be at least 6 years.

The maximum amount of pension that is paid each year equals the part of the savings remaining obtained by dividing the remaining amount of savings by the number of remaining payment years.

The pension paid to the insured affects his/her earnings-related daily unemployment benefit and possible national pension.

Insurance expenses and compensations

Expenses, premiums and fees will be charged for the insurance according to the price list. Fees levied on mutual funds and investment baskets used as investment instruments will be charged. The fees are taken into account in the daily quotes for the mutual funds or investment baskets.

Correspondingly, pension insurance will be credited by an insurance credit. The amount of life insurance charges and insurance credit depends on the insured's age and amount of insurance savings.

Right to insurance savings

The insured is entitled to a pension corresponding to the savings when the pension period in accordance with the contract begins, unless this right has been agreed on otherwise.

The policyholder can terminate the insurance contract only when the employment contract of the insured ends, provided that the termination is agreed on by the insured or the insured is not entitled to the accrued insurance savings.

Taxation

Taxation of pension insurance premiums

Pension insurance premiums are usually fully deductible from corporate taxation. The premiums will not usually be considered income for the insured employee or owner-entrepreneur working in the company if:

- the retirement age is at minimum the retirement age in accordance with the table below

Birth year	Retirement age
1957 or earlier	68 years
1958–1961	69 years
1962 or later	70 years

- the pension insurance premiums do not exceed EUR 8,500 annually.

The insurance premium must not, however, be used to compensate pay and the insured cannot select whether he/she will take the benefit provided by the employer as cash or as voluntary pension insurance. If the insurance premium covers the payment of salary or wages or the insured has the

right to choose, the insurance premium will be considered as a pay in its entirety.

If a company has taken out a voluntary individual pension insurance for the employee/self-employed person and made premium payments during the calendar year, the employee/self-employed person can deduct a maximum of EUR 2,500 of pension insurance payments paid by the employee himself/herself within his/her taxation calculation.

Taxation of life insurance linked to pension

Also the premiums paid for maintaining the life insurance cover linked to the pension are usually tax deductible in the company's taxation if the insured's family member has been named as the beneficiary of the life insurance. If the beneficiary of the life insurance is a company, insurance premiums are tax-deductible only with certain preconditions.

The life insurance benefits paid based on the life insurance covering the savings are taxable capital gains in their entirety. The share minus the amount of collected tax is also subject to inheritance tax. The benefit paid to the company is taxable business income.

Taxation of pensions

A pension paid to the insured from the Corporate Pension Insurance during retirement will be taxed as earned income.

The information regarding taxation corresponds to the legislation and taxation practices in force on 10 March 2021. The regulations apply to persons subject to taxation in Finland. Mandatum Life is not responsible for any possible changes in taxation or for individual tax decisions. Mandatum Life shall not be liable for any effects this contract may have on the policyholder's or the insured's taxation or other contractual relations, rights or obligations.

Other terms and conditions of the contract

- See also the terms and conditions of Corporate Pension Insurance, which contain a more detailed account of the insurance.
- The customer is obligated to report if changes have occurred in the information that has been provided to Mandatum Life when the contract has been made.

This applies to, among other things, the tax domicile of the customer and other contact details.

- This product description is valid as of 10 March 2021. It does not provide a full account of Corporate Pension Insurance. See also the insurance contract terms and conditions and price list and the various investment options. The terms and conditions include e.g. exact definitions of insurance cover and related limitations.
- If the insurance, the savings or the investment objects linked to the insurance are subject to direct or indirect taxes or other charges imposed by legislation or official regulations, or fees charged by the investment object or company managing the investment object, e.g. subscription fees or redemption fees, or other trading costs to be paid by Mandatum Life, Mandatum Life is entitled to deduct a corresponding amount from the savings.

Taking sustainability risks into account

Mandatum Life complies with the UN's Principles for Responsible Investment (UN PRI) in its investments and regularly monitors the sustainability risks of its investments. Mandatum Life takes sustainability risks and adverse sustainability impacts into account in its investment operations in accordance with the Responsible Investment Policy published on the company's website and the regulations valid at any given time. Both positive screening and negative screening of certain industries are applied to Mandatum Life's investment objects, taking into account the special characteristics of the different asset classes and strategies. These methods have been chosen in order to limit the sustainability risks of the company's investment operations and the resulting negative return impacts. Mandatum Life estimates that while the measures it takes to control the sustainability risk reduce the negative return impacts caused by such risks, they cannot be ruled out entirely.

Mandatum Life monitors that the investment objects meet the requirements that have been set in the Responsible Investment Policy. The investments are monitored regularly with respect to the sustainability risk and adverse sustainability impacts.

The investment object documentation describes in more detail the measures for taking into account the sustainability risk and adverse sustainability impacts in various investment objects.

Processing of personal data

Mandatum Life processes its customers' personal data in accordance with Finnish legislation. Data is acquired from the customer, from parties authorised by the customer and from public records and credit information registers maintained by authorities and from the credit information registers of Suomen Asiakastieto Oy and Bisnode Finland Oy. Due to the confidentiality provisions governing insurance companies, Mandatum Life does not disclose information about its customers to outsiders except with the customer's consent or when the disclosure of information is based on legal provisions. The information content of the personal data registers used by Mandatum Life is outlined in the descriptions of files and description of the use of personal data available from the company's website. In addition, our customer service personnel will provide additional information as necessary for customer communications and customer feedback requests. Mandatum Life may use the customer registers also for marketing targeted at customers and record telephone calls to ensure the security of operations. The customer is obligated to report if changes have occurred in the information that has been provided to Mandatum Life when the contract has been made. This applies to, among other things, the tax domicile of the customer and other contact details.

Company granting the insurance

The insurance is granted by Mandatum Life Insurance Company Limited.
Postal address: P.O. Box 627, FI-00101 Helsinki, Finland.
Registered office and address:
Bulevardi 56, FI-00120 Helsinki, Finland
Business ID 0641130-2
www.mandatumlife.fi

Mandatum Life Insurance Company Limited is a wholly-owned subsidiary of Sampo Plc.

An account of Mandatum Life Insurance Company Limited's solvency and financial situation and more information on Mandatum Life Insurance Company Limited's solvency can be found at the address www.mandatumlife.fi.

Mandatum Life Insurance Company Limited has received permission from the Financial Supervisory Authority to use transitional measures in its solvency calculations until 1 January 2032.

Remuneration for sales personnel

An employee or an agent of Mandatum Life may receive monetary remuneration on the basis of the sale of the insurance.

Supervisory authority

The contract is subject to the Insurance Contracts Act and other Finnish legislation. Mandatum Life's products are not covered by the deposit guarantee fund. Mandatum Life's operations are supervised by the Financial Supervisory Authority (FIN-FSA) (address Snellmaninkatu 6, P.O. Box 103, FI-00101 Helsinki, Finland, www.finanssivalvonta.fi, tel. +358 10 831 51).

Appealing a decision by the insurance company

If you are dissatisfied with a decision concerning your insurance matter or the conduct of the salesperson, first contact us by phone, online message or by mail. Always contact the person who has made the decision first. You may also send a letter to the address:

Mandatum Life Insurance Company Limited,
Asiakasposti/2011, Kalevantie 3, 20520 Turku.

The feedback will be handled efficiently, with high quality and according to current legislation. The processing of the matter will take place without delay, however, within a maximum of 30 days.

Matters may also be submitted for consideration to the Finnish Financial Ombudsman Bureau, the Finnish Insurance Complaints Board or a district court. Financial Ombudsman Bureau FINE (address: The Financial Ombudsman Bureau, Porkkalankatu 1, 00180 Helsinki, tel. +358 9 685 0120, www.fine.fi) provides customers with free, independent advisory services and guidance in applying and interpreting insurance contracts and terms. FINE's Financial Ombudsman Bureau and the Insurance Complaints Board also offer recommendations for solutions in disputed cases. FINE will not handle a dispute that is pending or being heard in a court of law. Matters can also be resolved in court. The case must be brought before the Helsinki District Court or the District Court of the municipality in which the complainant is domiciled in Finland. The appeal must be filed within three years after the complainant has received written notification of both the insurance company's decision and the period for filing a complaint.