

KÅPAN PENSIONER

Information about
your pension insurance

...worth saving



INFORMATION BROCHURE

A traditional pension insurance for you as a government employee

Kåpan Pensioner manages collectively agreed occupational pensions for you who are or have been a government employee. We offer a traditional pension insurance with a guaranteed interest rate and good returns over time. Kåpan Pensioner is an occupational pension society which means that the members own the business together. The society manages over SEK 100 billion for just over 850,000 members. We are a small insurance company with a major and important assignment. We make long-term choices to optimise the balance between risks and returns. At the same time we keep our costs as low as possible and use limited resources on marketing. All in order to give you a good return on your pension capital at the lowest possible cost. When there is a surplus, everything goes back to you in the form of bonuses.

We conduct responsible investment management. This means that we make investments on the basis of ethical standards and principles which are strongly rooted in Swedish society, based on decisions made by the Swedish parliament and government.

Kåpan was formed in 1992 by the parties to the government collective agreements. The name, Kåpan, is the Swedish acronym that stands for complementary retirement pension. It is also the family name of our various pension insurance products. The aim of this brochure is to provide basic information about what your insurance with us includes, what you receive and the choices available to you.

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We have chosen to use Lady's Mantle as an illustration and symbol. Lady's Mantle (*Alchemilla vulgaris* L) is the generic name for a number of apomictic microspecies of the genus *Alchemilla*. The microspecies are distinguished primarily by the shape of the leaves. Lady's Mantle is easily recognised from its unique fan shaped leaf rosette.

In the centre of the rosette water drops collect in the early morning to form a shimmering pearl. The drops are formed during the night when the leaves exude water which has been taken up through the roots by guttation and is not dew.



KÅPAN
PENSIONER

More information about our operations can be found on kapan.se.

Information about your occupational pension with Kåpan Pensioner

When you are a government employee you belong to the PA 16 occupational pension agreement. This agreement means that you become a member of Kåpan Pensioner as a result of your employer paying money towards your occupational pension. All our insurance products are defined contribution. This means that the total amount of contributions paid and the return we can offer you determine the size of the pension you will receive from us.

Your occupational pension varies a little depending on which section of the PA 16 occupational pension agreement you belong to. If you were born in 1988 or later, you belong to Section 1. If your date of birth is before 1988, you normally belong to Section 2.

Kåpan Tjänste

Your employer pays in at least 2% of your salary to Kåpan Tjänste. If you are in Section 1, your employer pays the equivalent of 10% on salary components in excess of 7.5 income base amounts.

Kåpan Valbar

There is also an elective component where you are free to choose which insurance provider should manage your money. If you choose us, this component is placed in Kåpan Valbar and even if you do not make an active choice you will have your money managed by us. For this component, your employer pays in at least 2.5% of your salary. If you are in Section 1, your employer pays in the equivalent of 20% on salary components in excess of 7.5 income base amounts. If you choose to exchange some of your salary for pension, the extra premium is placed in this insurance.

Kåpan Flex

If you are in Section 1, your employer pays 1.5% of your salary to Kåpan Flex. If your employer has signed a local collective agreement then the extra premium is also placed here.

Kåpan Extra

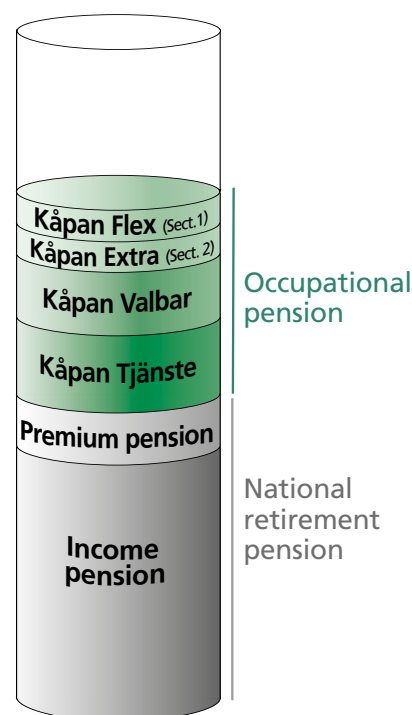
If you are in Section 2 and your employer has signed a local collective agreement, the extra premium is invested in Kåpan Extra.

When you want to withdraw your pension

When you want to withdraw your pension you need to make an application. The pension is paid for life unless you apply for an alternative. You can withdraw

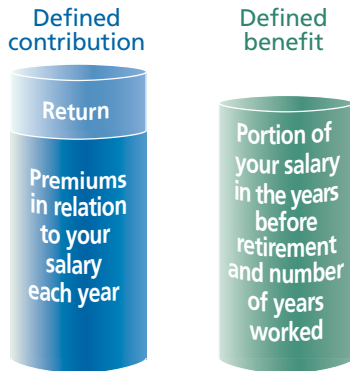
- Kåpan Tjänste and Kåpan Extra for life or for a limited period of 5 to 20 years
- Kåpan Valbar for life or for a limited period of 10 to 20 years
- Kåpan Flex for life or for a limited period of 1 to 20 years.

If you are in Section 2, the earliest you can withdraw your pension is age 61. If you are in Section 1, the earliest you can withdraw your pension is the same age as for the national retirement pension. Today this is age 62 at the earliest.



Your savings with Kåpan are a traditional pension insurance

Your pension is determined in different ways

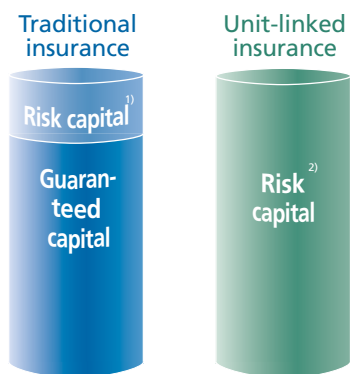


Saving for a pension can be done in many different ways. With us, you have a traditional pension insurance where you are guaranteed a minimum pension payment. Our investment managers take care of the management so you do not need to take any action.

The society offers traditional insurance. This means that each premium paid in accrues guaranteed interest until it is paid out as a pension. Currently the guarantee is that 80% of paid-in premiums accrue interest of 1% before deducting tax and costs. The cost deduction is currently 0.2%.

The pension you receive from us is defined contribution. This means that it will depend on how much has been paid in premiums and your share of the society's surplus. Every year you receive guaranteed interest on the paid-in premiums. In other words, the paid-in capital is insured against reducing in size. The guaranteed interest rate that applies when a premium is paid in is guaranteed for that specific payment until your pension is paid out. The guaranteed rate also means that we who manage your capital must continuously balance the risk that the capital decreases against the goal of providing a high return.

Your savings have different risks



If you compare a traditional pension insurance with a unit-linked insurance, you must remember that you risk losing your entire pension capital in a fund. This increased risk might give you a higher return but can also reduce the amount of your capital and give you a smaller pension.

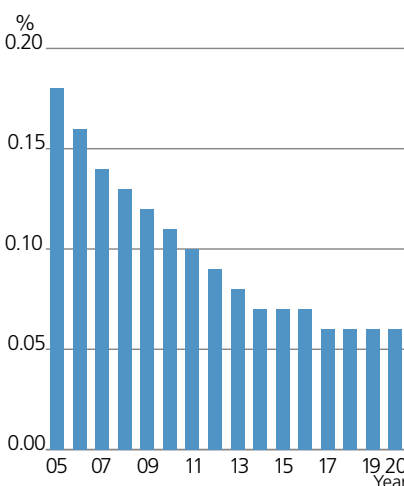
Regardless of which of our pension insurance products you have, your guaranteed capital can never decrease but will increase all the time by at least the average guaranteed interest rate.

The society is only available to government employees and does not compete in other collective agreement areas or in the private market. This means, among other things, that we do not pay commission to insurance agents or use part of your capital for marketing. We constantly try to keep costs at a low level so that you receive a higher pension.

The society applies the contribution principle when calculating the insurance's pension capital. The contribution principle states that charges shall be made on an insurance in proportion to how much it has contributed to costs in the same way as its share of returns is in proportion to how it has contributed with risk capital. This means that the charges made correspond to the society's actual costs of administration. Currently the variable charge is 0.06% of capital and the fixed charge SEK 6 per insurance.

- ¹⁾ Your risk capital is the bonuses you have received over the years in addition to guaranteed returns.
- ²⁾ In a unit-linked insurance you risk your entire capital.

Development of our management costs



Lifelong or time-limited payment

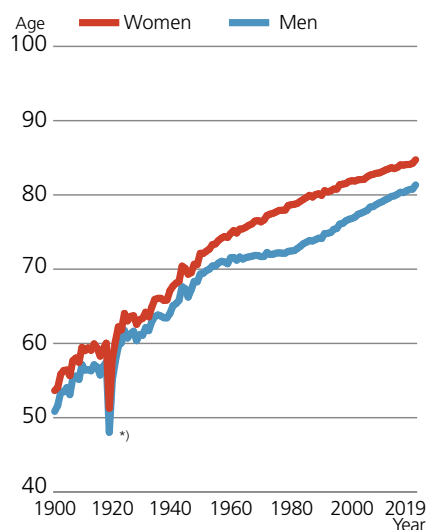
When your pension is to be paid out you can decide if you want it paid for a limited period or for the rest of your life. If you do not make a choice, the pension is paid for the rest of your life.

We use among other things life expectancy assumptions to decide the size of your pension each month. Life expectancy assumptions are an assessment of how long the insured individual will live. If you choose lifetime payments you will continue to receive your payments even if you live longer than expected according to our life expectancy assumptions. This is part of your insurance. So we guarantee that you will receive a pension from us every month even if you live for a long time.

We apply gender-neutral life expectancy assumptions when we calculate your pension. This means that when we calculate your pension based on your pension capital, the level of your pension will be the same regardless of whether you are a man or a woman. The expected remaining lifetime for a member who reaches the age of 65 this year is 23 years and 4 months.

A time-limited payment for five years will give you a higher pension during the relatively short part of your expected time as a pensioner. You should also include the possibility that you might have some earned income. This can have high marginal tax effects on your time-limited pension that might not arise when you choose a lifetime payment. If you are expecting a low pension, then you should take into account the effects of various forms of support and allowances when choosing how your pension should be paid.

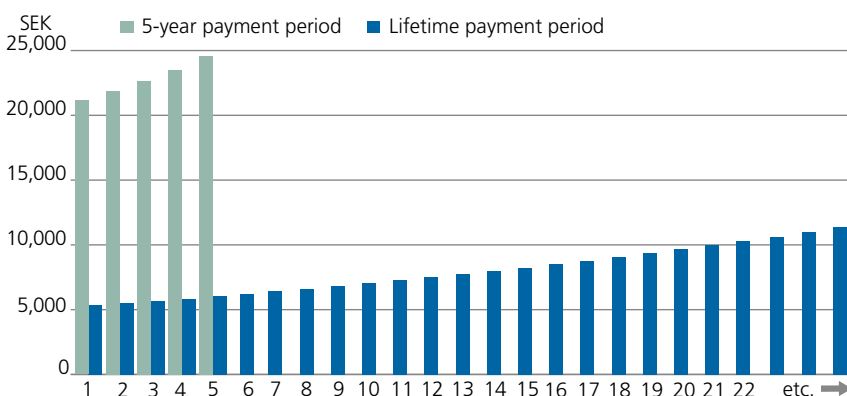
Average life expectancy 1900 – 2019



*) Influenza epidemic, Spanish flu.

Source: Statistics Sweden

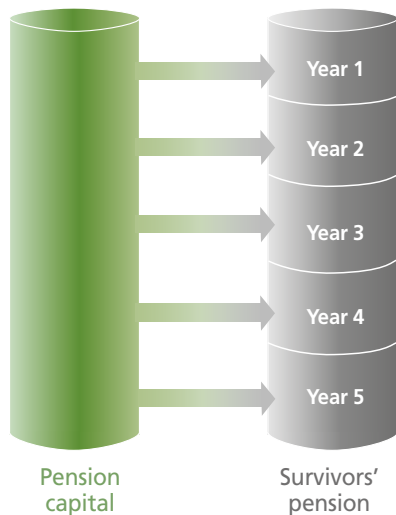
Pension payments per year with a pension capital of SEK 100,000 and assuming a bonus interest rate of 5%



You can also choose repayment cover which means that your pension capital will be paid to your survivors if you die early. We explain what repayment cover is and how it works on the next pages.

Insurance with or without repayment cover

With repayment cover your pension capital is paid out as a survivor's pension



It is possible to add repayment cover to your insurance with us. Your pension will then be lower. If you do not make an active choice, your insurance will not include repayment cover. Repayment cover means that the value in your insurance is paid to your surviving beneficiaries if you die. If you die shortly after taking out the insurance a lower amount will therefore be paid out.

How long is repayment cover valid?

If your pension is paid out for life, repayment cover is valid up to the month of you 75th birthday. If you have chosen to withdraw your pension for a limited period, repayment cover is valid until you have received your final payment.

When can you add or remove repayment cover?

You can add repayment cover:

- within six months of taking out the insurance
- within a year from getting married, cohabiting or having children
- to future premiums in a new insurance.

You can remove repayment cover without having changed your family circumstances. You cannot add or remove repayment cover once you have started to withdraw your pension.

Who receives the survivors' pension?

According to Kåpan Pension's general beneficiary clause, the survivors' pension is paid primarily to your spouse, registered partner or cohabitant and secondly to your children. In a specific beneficiary clause you can change the order or distribution and to a certain extent who will receive the survivors' pension.

You can choose the following persons as beneficiaries:

- spouse, registered partner or cohabitant
- former spouse, registered partner or cohabitant
- children, foster children of yours or any of the above persons.

Parents and siblings can never be beneficiaries.

Repayment cover means that you get a lower pension

You are	Payment	
	for less than 5 years	for life ¹⁾
25	- 6%	- 10%
55	- 3%	- 7%

¹⁾ The figures are based on you being a new employee and continuing to work until 65.

What does repayment cover cost?

If you choose repayment cover your pension will be lower. This is because by choosing repayment cover you do not receive part of the inheritance gain. The inheritance gain is the pension capital remaining in insurances without repayment cover following the death of the insured person and which is shared among all other insurances that do not have repayment cover.

The cost of repayment cover is not exact since it depends on future returns and the actual lifetime of insured persons in the society. The table on the left shows some examples of what repayment cover is expected to cost in terms of a lower pension from different ages if you choose repayment cover from the start and continue to be a government employee for the entire period until your retirement.

The inheritance gain is shared out monthly which means that insurance without repayment cover receives extra funds in addition to the bonus interest. If you have an insurance without repayment cover, you can see the amount of the inheritance gain on your insurance in your pension statement.

Other types of insurance cover

When you are considering whether to include repayment cover in your insurance, you should start with your family situation. If you have a large pension capital, repayment cover can provide your family with some financial security. If you have dependants, for example, repayment cover can be especially important.

At the same time, repayment cover means that your own pension will be lower. It is important that you look at your entire insurance protection when you make a decision. So check what protection you have in the form of pensions and insurance from pension providers other than Kåpan. If you die while you are a government employee, for example, according to the collective agreement your family is entitled to payments for six years following your death.

Your family will also receive compensation from your occupational group life insurance. Read more about your insurance cover in the event of your death while a government employee at spv.se. An alternative to repayment cover can be to take out a separate life insurance with an insurance company. This insurance will cost you in the form of premium payments in the short term but you will have these costs repaid in the form of a higher pension. Calculated on normal life expectancy and family situation, repayment cover usually costs more than a separate life insurance but, as explained above, you pay at different times. Contact our customer service if you wish to know more about repayment cover. Log on to Mina sidor on kapan.se to add or remove repayment cover.

Right of transfer for Kåpan Valbar

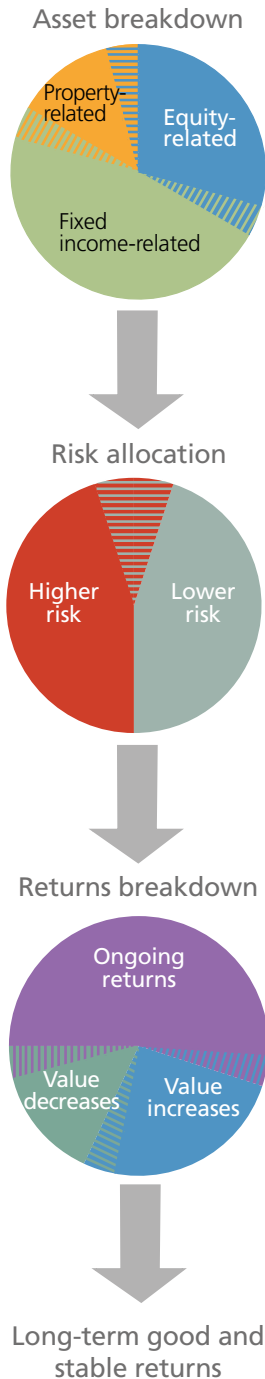
Right of transfer means that you can move the capital in a pension insurance between different insurance providers. Your Kåpan Valbar insurance with premiums paid after 30 June 2016 has terms that allow transfer. You may only move your pension capital to an insurance provider that is affiliated to the PA 16 occupational pension agreement. When considering a possible transfer of your pension capital in Kåpan Valbar you should be aware that the only thing transferred is a capital amount, other insurance terms and conditions no longer apply which means that the value in these other conditions disappears. Your other insurances with us cannot be transferred.

If you change employer from a government to a non-government organisation, no further premiums will be paid into your pension insurance with us. The insurance remains active and will continue to increase with guaranteed and bonus interest until it is paid out as a pension. If you return to government employment, payments into your insurance with us will resume.



Long-term asset management

Our asset management model



The insurance premiums paid into the society together make up the assets that we manage. We have long experience of strategic investment management and our main goal is the creation of good long-term returns on your pension capital.

Insurance with a guarantee

A traditional pension insurance means among other things that the capital is guaranteed not to reduce in size. For our insurances, the guarantee consists of a guaranteed interest of 1% per year which you receive on 80% of the premiums paid by your employer. That we only apply the guarantee to 80% of the premiums paid by your employer allows us to place some of your capital in assets with a higher expected returns but also a higher risk.

Solvency ratio – the balance between guarantee and surplus

The society builds up a common risk capital based on paid-in premiums and the surplus created by investment management over time. The extent to which the assets exceed the society's guaranteed commitments to its members is called the solvency ratio. The society has an adequate solvency ratio but this varies between years in step with the value changes in assets and liabilities. If you would like to read more about the society's investment strategy and solvency ratio you can find the society's annual report on our website kapan.se.

Balance between risk and return

Managing assets within the framework of a traditional pension insurance relies on finding a balance between taking risks and expected returns. Capital is therefore invested based on the society's risk policy which has been produced by the society's Board. The policy stipulates that investments must be made in many different asset classes. Investments must also be made in many different securities so that no single investment constitutes too big a risk. You can read more about our investment guidelines on our website kapan.se.

Investments in different asset classes

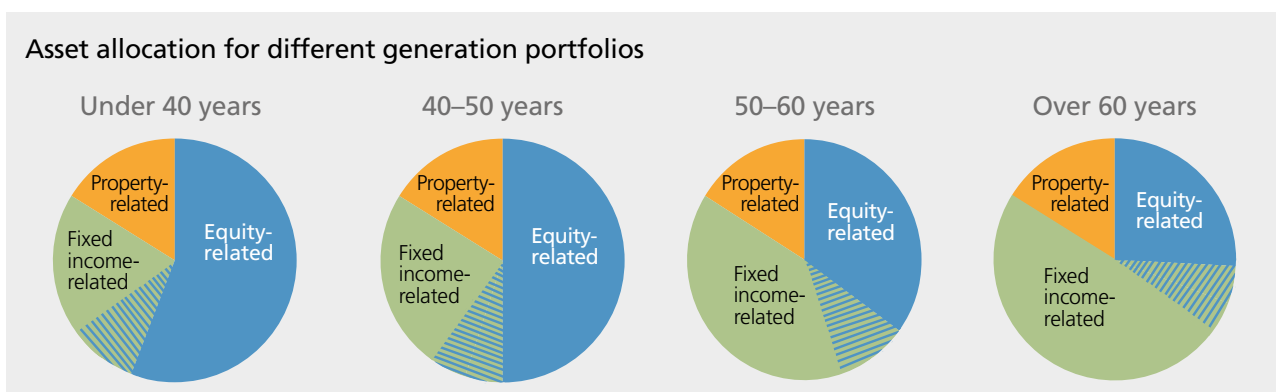
Based on the risk policy and our investment guidelines, we divide the managed capital across three main investment areas, equities, bonds and property. Together these constitute a well-balanced portfolio. Fixed-income securities are expected to provide stable returns and performance over time. Equities are more risky investments which means that the performance can swing both up and down but are expected to provide a higher return over time. Investments in real estate and similar asset types are a good complement to investments in equities and fixed-income securities. All assets are continuously given a market value so that we always have the value of the society's assets. The increase in value accrues to your insurance in the form of bonus interest.



Generation savings

In our management we also consider your age and how long it is to your retirement. If you are young and have a long time before you retire you will get a higher risk in your savings to give the possibility of a higher return. Investments with greater risk are expected to provide a higher return over time than more stable investments, but value development can fluctuate considerably more during this time. This means in turn that the risk in your savings reduces in step with your approaching retirement. When you are older you get more stability in your savings.

We split the saved capital into four different age categories with different asset allocation between the three main investment areas. In the diagrams you can see what the overall allocation looks like depending on your age. The allocation can vary within a range set by the Board in the society's risk policy.



Responsible investment management

Investment management shall be guided by:

- Decisions made by the Swedish parliament and government
- The ten principles in the UN Global Compact
- OECD's guidelines for multi-national companies
- The Oslo and Ottawa Conventions
- The six UN Principles for Responsible Investment (PRI)
- The UN Sustainable Development Goals – 2030 Agenda for sustainable development.

Links to these conventions can be found on kapan.se.

Environment, Social and Governance (ESG) are criteria that are used in responsible investment. The first criterion is based on how a company or an investment cares for the environment. This includes emissions, energy usage and resource usage. The social criterion assesses how a company handles relations with employees, suppliers and community issues where they are active. Governance addresses leadership, internal controls, auditing and stakeholder rights..

We conduct responsible investment management. The primary aim is to secure your pension capital and other insurance commitments in both the short and long term. Our goal is a long-term good return with a balanced risk. We also take into account long-term sustainability both in our own operations and in the investment process. We believe that companies that act sustainably make a positive contribution to returns and development.

Baseline

We start with our sustainability policy which provides overall guidelines for the investment management organisation's work with integrating sustainability aspects such as environment, social responsibility and corporate governance into our operations. These are based on ethical standards and principles that are strongly rooted in Swedish society based on decisions made by the Swedish parliament and government. Investment management is guided by international conventions.

Responsible investment

In order to achieve sustainable management in accordance with our guidelines we work with both norm-based screening and positive screening of our underlying holdings. Further, we work with dialogue and lobbying and in some cases exclusion of companies with the aim of improving the holdings from a sustainability perspective. **Norm-based screening** allows us to continuously monitor our investments in listed equities and bonds to ensure that the investments comply with global standards relating to the environment, human rights, working conditions and anti-corruption as well as controversial weapons. **Positive screening** is used to rank all our listed equity holdings based on how they handle sustainability issues (ESG, Environmental, Social and Governance). Using positive screening we can reject companies with a low ESG rating as well as prioritising companies with a high ESG rating in each sector. We work to successively improve the ESG rating of our listed holdings and have the goal of being better than the corresponding global index for listed equities.



We use **lobbying** in those cases where a company or fund violates or is suspected of violating international norms and conventions. We lobby the companies directly or in collaboration with an external supplier. For follow-up of our holdings in funds we lobby the fund manager. The society also has an Ownership Policy which states that as owners we vote at general meetings where we assess that we are a major owner in the company or where the holding in our own portfolio is large. The society also measures the carbon footprint of our listed equities and works actively with successively reducing the carbon footprint of our investments. The aim is that, taken together and over time, the investments shall be climate neutral. We work continuously to improve our sustainability initiatives.

Internal sustainability work

It is also important that in our own operations we work actively to be a good sustainable company. We do our utmost to be resource efficient and climate smart in day-to-day activities. Internal sustainability work also covers equal treatment, equality and skills development which are fundamental values and drivers for us.

You can read more about ongoing sustainability work on kapan.se. There you will also find our most recent sustainability report and our sustainability declaration.

Bonus – sharing the assets in the society

Your insurance with Kåpan Pensioner is a traditional pension insurance which means that we guarantee your capital. In addition to the guarantee you are entitled to your share of the society's assets since we are a mutual association. You get this through each insurance being given a bonus rate, which can also be called return interest, on your pension capital.

The bonus rate corresponds to the development of the value of the society's total assets. This means that your insurance with us has both a guaranteed capital and a capital that is calculated based on the bonus rate, which is your pension capital.

Bonus rates can be both positive and negative

The bonus on which your pension capital is recalculated can be positive or negative at any given time. Normally your pension capital is more than your guaranteed capital and therefore the amount of your pension capital will determine the level of your pension. We add the bonus provisionally to all policies monthly. This means that your pension capital will change continuously in step with the development of the value of the society's assets.

Since we distribute the saved capital across different generation portfolios which take into account age and time remaining to retirement, bonus rates can differ. If you are under 40 you can expect to get a higher bonus rate than someone over 60 which reflects the difference in asset allocation across the corresponding portfolios. This also means that the rate can fluctuate more for younger pension savers since they have a higher proportion of equities in their savings.

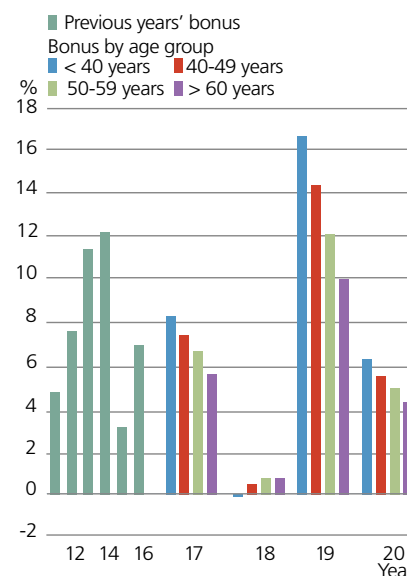
The current bonus rate is shown on our website.

Bonus after tax and costs

The costs allocated to your insurance are partly the costs the society has for administration of all policies and partly the tax charged on savings in pension insurance, so-called tax on returns. This tax uses a standardised method based on the average government lending rate and is equally high in percentage points for all pension savers regardless of the size of the return.

The society's administrative costs in relation to managed capital are low and have gradually decreased over the years. These costs are taken from your pension capital as a fixed charge per insurance and a variable charge in relation to the amount of your pension capital. Currently the fixed charge is SEK 6 per insurance and the variable charge 0.06%. The starting point is that the society only makes a charge to cover the actual costs of running the business. The cost of asset management is 0.05. This is not a charge but is taken from the society's total managed capital. This means that the bonus rate will be lower.

Bonus rate



Bonus rates from gross to net, example

Bonus rate	6.0%
Tax on returns = 15% of government lending rate	0.1%
Deduction for our costs	0.1%
Bonus rate, net	5.8%

The society's assets become your pension capital

Put simply, your pension capital is your share of the society's assets. The method the society uses to share the surplus and costs of the insurances is usually called the contribution method. This means that the surplus and deficit as well as costs are allocated to an insurance to the extent that the insurance is assessed to have contributed.

The collective funding ratio is a measure of the value of the society's assets in relation to the members' total pension capital. If the collective funding ratio is under 100%, the value of the assets is less than the value of the total pension capital. A collective funding ratio over 100% means that the assets are greater and that there is a buffer in the event of negative development in the capital market.

The policy adopted by the Board means that the value of the society's total assets shall provisionally be shared monthly across all policies. This means that the bonus rate is set so that the funding ratio amounts to 100% at each month-end.

The society's members are split by age into different bonus groups with different investment strategies according to the actuarial guidelines and the contribution principle. Assets and liabilities for each group are kept separate and the funding ratio is calculated and reconciled monthly both in total and per group.



When you start withdrawing your pension

There are many different alternatives when you start planning for your retirement. Your pension will normally come from several different sources and there are a lot of conditions and options to consider.

Well before you retire you should get some idea of the amount of your capital and roughly how much this will provide in pension every month. The easiest way to do this is to log on to the website minpension.se and see where you have your savings and how much they are worth.

Your insurance with us has different conditions depending on which insurance you have, but the following applies to everyone:

The payment period is for life if you do not choose another term

- For lifetime payments, repayment cover ceases when you reach 75
- You cannot stop payments once you have started to withdraw your pension
- Capital less than the price base amount may be paid as a one-time payment
- If you have a disability pension or temporary disability benefits you cannot start your occupational pension before the age of 65.

When you want to start withdrawing your pension you need to make an application. You do this by logging on to Mina sidor on kapan.se.

From pension capital to paid-out pension

When you have told us that you want to start taking out your pension, we calculate a so-called forecast amount. The forecast amount is the amount of pension we will pay each month. It is based on the amount of pension capital and the length of time over which payments will be made.

When we calculate the forecast amount, we take into account assumptions about future returns, tax and costs as well as life expectancy for the remaining insured period. The aim is to give you a relatively even pension payment. The assumptions are usually called forecast assumptions. The most important assumption is the forecast interest rate. We currently assume a forecast interest rate of 2% which comes from assumptions about our expected returns. You will still get a bonus rate on the capital that remains in the society. If the bonus rate is over 2%, your pension payments will increase.

We recalculate the amount paid out once a year as long as payments continue using the divisor that we use when calculating the monthly forecast amount.

This means that we divide your pension capital by the calculated divisor. If you retire at 65 and have lifetime payments the divisor when you retire is currently 225.37. On the other hand, if you have a five-year payment period, then the divisor is 56.77. The following year-end we make a new calculation using the revalued pension capital and divisor for the second year. To ensure that you always get at least the pension guaranteed by your insurance, we also calculate the guaranteed pension amount per month based on your guaranteed pension capital. We always pay you the higher of these two amounts.



From pension capital to monthly payments, example

Lifetime payment

Pension capital	100,000
Divisor	225.37

Monthly pension first year:

$100,000/225.37 =$ **SEK 444**

Time-limited payment, 5 years

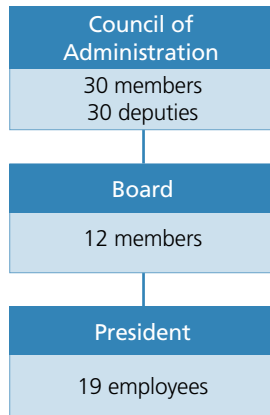
Pension capital	100,000
Divisor	56.77

Monthly pension first year:

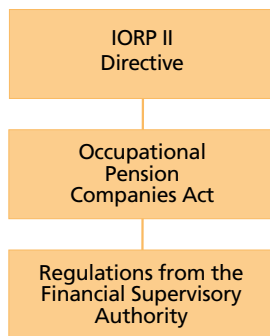
$100,000/56.77 =$ **SEK 1,761**

More about the society

Board and management



Regulations



Strategic direction

The society is not open to everybody. Members can only comprise persons who are employed under collective agreements made between the parties in the government sector. This means that the society does not compete with other insurers in other agreement areas. We have therefore chosen to put limited resources into marketing and focus on providing information via the annual statement and [kapan.se](#). We also do not pay commission to banks or insurance agents for selling our products. The intention is to create a good long-term return on members' pension capital at a low cost. We do this by focusing on one product, traditional pension insurance with guaranteed interest, a balanced and efficient form of saving. We do not put resources into creating many different savings alternatives. We try solely to achieve a good and efficient pension saving for our members.

The strategic direction is decided by the Board. The parties to the government agreement sector have given the society specific responsibility within the framework of the pension agreement since we are responsible for management of pension premiums for which there is no choice and premiums for those who do not make a choice. The overall judgement is that the society's method of working in combination with the legal structure of a mutual society is the best way to offer effective and stable long-term pension savings.

Regulations

Kåpan Pensioner is an independent legal entity in the form of an occupational pension society. The business is regulated by a number of laws enacted by parliament, primarily the Occupational Pension Companies Act (2019:742) as well as a large number of regulations published by the Swedish Financial Supervisory Authority.

The regulations are based on the EU's Institutions for Occupational Retirement Provision (IORP) Directive. The Financial Supervisory Authority exercises oversight of the business. Transition to an occupational pension society was completed on 1 January 2021.

Governance and organisation

According to the statutes, the society's highest decision-making authority is the Council of Administration. The Council of Administration has thirty members and the same number of personal deputies. Fifteen members are appointed by the trade unions the Public Employees' Negotiation Council (OFR/S,P,O), the Swedish Confederation of Professional Associations (Saco-S), and the Service and Communication Union (Seko) in proportion to the number of members in each, and fifteen members are appointed by the Swedish Agency for Government Employers (Arbetsgivarverket). The members are appointed by their respective organisation for a mandate period of one year. They must be members of the society.

The Council of Administration appoints Kåpan Pensioner's Board which consists of twelve members. Six of the members are appointed by the employee side, two by the Swedish Confederation of Professional Associations, two by the Service and Communication Union and two by the Public Employees' Negotiation Council. Six members are appointed by the Swedish Agency for Government Employers. Members of the Board may not be members of the Council of Administration.

^{*)} The Friendly Societies Act (1972:262) was repealed when the Insurance Companies Act (2010:2043) came into force on 1 April 2011. Until new occupational pension legislation is in place, friendly societies have a dispensation to continue operating.

The Council of Administration also appoints at least one ordinary authorised public accountant and at least one deputy authorised public accountant to audit the business on behalf of the Council of Administration.

The mandate period for Board members is one year. The mandate period runs from the ordinary meeting of the Council of Administration where the election took place up to and including the ordinary meeting the following year. Board members stepping down may be re-elected. The Board appoints a President who has operational responsibility for the business.

Insurance conditions are determined by the collective agreement and the society's statutes

The society's business is governed by statutes adopted by the society's Council of Administration. The statutes provide the basic conditions for the business and what limitations apply. The conditions for your pension insurance are based on the conditions in applicable collective agreements and statutes. There are also conditions for each insurance which describe the conditions in a coherent manner.

The statutes are available on kapan.se and information on your applicable pension agreements will be found on arbetsgivarverket.se or on one of the trade unions' websites.

If you want to influence the society's operations and direction you can make your views known to your local trade union representative, the trade union main office or one of the members of the Council of Administration. The members of the Council of Administration are presented in the society's annual report which you will find on kapan.se

The role of the insurance actuary

To ensure that we get our calculations right and the conditions of all our insurances are followed correctly, the society uses an actuary. The actuary is independently responsible to the Board and the Financial Supervisory Authority and is responsible among other things for calculating the value of your pension capital and the pension you get paid by us. The actuary's work is based on the society's actuarial guidelines adopted by the Board.

Auditing and internal control

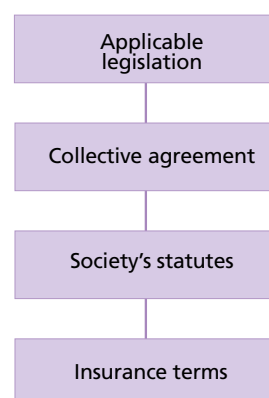
The society's operations are continuously reviewed through internal controls which make risk assessments and specific analyses that are presented to the Board. Additionally, the Council of Administration appoints external auditors who review our investment management and ensure that we are following applicable accounting regulations. The auditors present the result of their review to the Council of Administration each year.

In all there are three levels of control in the society all aimed to ensure that we manage your capital well and that we pay you the correct pension.

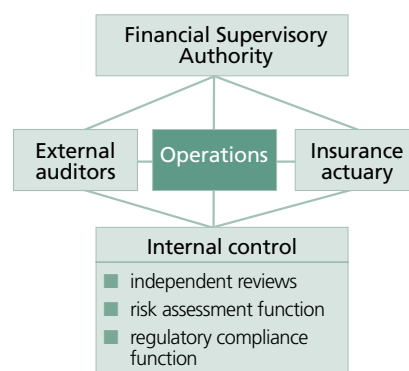
Future direction

The society's ambition is that we will provide a good alternative for those who do not actively choose a pension manager. Our intention is to be able to offer an alternative for the future with good expected returns and low costs.

Your insurance conditions



Control and oversight





KÅPAN PENSIONER

Customer service

If you have questions you are welcome to contact us on 060-18 75 85 or at kundservice@kapan.se.

To get an overall view of our entire business as well as current financial information visit kapan.se.

■ 060-18 75 85 ■ kundservice@kapan.se ■ kapan.se