

OP Group Pension



OP Group Pension – Supplementary Pension Cover for Your Employees

Knowledgeable, highly motivated employees represent company key success factors. OP Group Pension is an excellent solution for incentivising and motivating your company's management, key personnel or all employees.

OP Group Pension is a unit-linked, collective supplementary pension insurance policy in which your company can determine the premium payment plan that will be applied. OP Group Pension supplements the statutory pension cover and offers the possibility of retirement before the statutory retirement age.

Competition for skilled employees is toughening. It is increasingly important to enhance employee engagement. OP Group Pension is appreciated by its beneficiaries, making them become committed to the company and motivates for good results.

Taking out pension insurance for employees is useful for companies in a variety of ways. Collective group pension insurance premiums are tax-deductible for companies and not treated as taxable earned income for the insured employee.

Win-win Situation for Companies and Employees

Employer benefits

- **Positive company image.** OP Group Pension forms part of a human resources policy of a company taking care of its employees, and personnel-related risk management.
- **It strengthens the company's competitiveness during the recruitment process.**
- **Financially sensible choice.** OP Group Pension insurance premiums are tax-deductible for employers. The company knows in advance the amount payable and the amount may be altered on an annual basis.
- **It enhances employee engagement.** OP Group Pension enables the company to encourage and motivate its employees.
- **It provides the insured employees with the opportunity to retire in a flexible way.** Retirement will take place at the time opportune for both the employer and the insured person. The employer has been prepared for retirement costs in advance.

Employee benefits

- **Flexible retirement.** OP Group Pension enables earlier retirement if necessary.
- **Supplementing statutory pension.** Statutory pension is calculated on the basis of earned income for each year and the accrual rate, i.e. each year's earnings have an effect on the amount of pension. The life expectancy coefficient will reduce the pension if the average life expectancy continues to increase. The actual pension may account for only 30–40% of the income earned during employment.
- OP Group Pension supplements statutory pension cover. OP Group Pension can also compensate for a reduction in the amount of pension due to earlier retirement.
- **Security in case of unexpected events.** OP Group Pension also provides security in case of disability or death.
- **Sensible way of saving for retirement.**

Investment that Pays off

OP-Euro

A money-market fund that invests in fixed-income instruments. Fluctuations in value are moderate.



OP-Conservative

OP-Conservative is the fund for the cautious investor. Changes in the fund's NAV are fairly small even when the market's movements are great, so this is a good instrument for short- and mid-term investment.

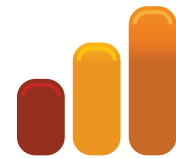
Investment period **2 years**
Equity weight **20%**



OP-Moderate

OP-Moderate is the fund for investors who are looking to get steady value growth for their investment. In basic allocation 50% of the fund's assets are invested in shares, and its NAV therefore changes as a consequence of stock market changes.

Investment period **4 years**
Equity weight **50%**



OP-Brave

OP-Brave is a good fit for the investor who pursues a good long-term return and understands the risks associated with a high equity weight.

Because a continuous fund policy reduces the timing risk, we recommend investing steadily in the fund over the long term.

Investment period **6+ years**
Equity weight **80%**

In OP Group Pension, investments are, with the consent of the policyholder, made on an individual basis, providing the insured person with the opportunity to contribute to the return potential of their investments and affect the risk of a fall or loss of the amount of capital invested. However, at the inception of the insurance, the policyholder decides on the investment plan.

Investment vehicles for long-term saving and investment approved and offered by OP Life Assurance Company may be included in OP Group Pension:

OP-Conservative

OP-Conservative is a mutual fund for investors who expect to get a sensible profit but do not want any unnecessary risks. OP-Conservative is a balanced fund that invests most of its assets in the world's fixed-income markets, with some in equity markets. In basic condi-

tions, the fund capital is spread widely across developed and emerging markets. The focus is on funds which invest their assets particularly in fixed-income instruments issued by public institutions and companies with a good credit rating. The fund makes investments mainly through other mutual funds.

Investors investing in OP-Conservative can rest assured that professionals are constantly monitoring market movements and take the required measures, allowing the investor to focus on other matters. The portfolio manager ensures that the funds are always invested reasonably according to the market situation.

OP-Moderate

OP-Moderate is a mutual fund for investors who are seeking a reasonable increase in value and will accept the somewhat higher risk level associ-

ated with a higher return. In the case of OP-Moderate, the risk exposure lies in the middle ground between that of bond and equity funds. OP-Moderate is best suited to a saver who intends to redeem his units in the fund within 3–4 years at the earliest.

As a balanced fund, OP-Moderate relies on both equities providing yield in peak times and fixed-income investments protecting assets in downswings. The portfolio manager actively controls the equity weighting of the fund on behalf of the investor. The investments are diversified broadly by region across developed and emerging markets.

OP-Brave

OP-Brave is a mutual fund for investors who have both courage and perseverance. The high return expectation of the fund is based on its equity weight, which is higher than that of our other

funds intended for savers. It brings along a higher exposure to market fluctuations compared to funds investing more in fixed-income markets. An investor who invests in OP-Brave tolerates the moments when the value of accrued assets is falling. He knows that in long-term investment, the right time to redeem his units will come during a more favourable period.

The fund invests most of its capital in the world's equity markets, and the rest in fixed-income markets. Its risk exposure is lower than that of pure equity funds. This means wide and cost-

effective diversification, even for small investment sums. Price movements in capital markets affect returns generated by the underlying investee funds. Thanks to its extensive spread over geographical areas and fixed-income and equity markets, OP-Brave is an attractive option for those who do not wish to follow the investment market actively themselves. Investors investing in OP-Brave can rest assured that portfolio management professionals are constantly monitoring the market and take the required measures, allowing the investor to focus on other matters.

OP-Euro

OP-Euro is a money-market fund that invests mostly in fixed-income instruments issued in euros by banks, other companies, governments and other public bodies in Europe. The main emphasis is on fixed-income products with a maturity of under one year. The fund's short-term objective is to maintain its capital, and the medium-term objective is to match money-market profits.

Unless the policyholder indicates otherwise when the insurance policy becomes valid or unless the insured person indicates otherwise during the validity of the insurance, the insurance premiums will be invested in the OP-Euro fund.

This Is How Group Pension Insurance Works

A company is the policyholder and a group of people in its employ is the insured party. The insurance policy specifies the extent of the pension cover on a group-by-group basis and the rights of the insured party.

Pension group and pension period

The pension group to be insured must always be determined on objective grounds on the basis of, for example, the position, profession, operating sector, place of business, age or years of service of the insured. The insurance may include several pension groups. The definition of the group must be such that the group does not, in reality, consist of certain named or otherwise individually specified persons or just the owners of the company. A plan intended to involve only one employee at a time is not regarded as collective supplementary pension cover. Otherwise, the size of the group is not subject to any special limitations.

The policyholder will be responsible for ensuring that the group definition and the group to be insured fulfil the collectivity requirements throughout the policy's validity period.



OP Group Pension enables the insured to retire before his statutory retirement age, even at the age of 60. The date of the retirement is agreed upon when making the offer. The age entitling to pension and other benefits for persons belonging to the same pension group must be determined on uniform grounds. The amount of pension is determined by the insurance savings accrued.

The insured is entitled to a pension corresponding to the insurance savings accrued although the insured's employment terminates before retirement age or the insured no longer belongs to the group of persons covered by the insurance. In this case, a paid-up pension policy is created for the insurance savings accrued for the insured.

The retirement age may be agreed on a group-specific basis. The pension is always temporary. OP Group Pension is a flexible supplementary pension plan which enables postponed or earlier retirement. The pension requires a written application and will be paid to the insured person on a monthly basis based on the accrued insurance assets. Pension disbursement will terminate if the insured person dies during the pension disbursement period.

Premium payment plan

The policyholder itself determines the annual amount of insurance premiums. The premium must be divided between the insured persons belonging to the same group on uniform grounds. The same proportion of all of the insured employees' annual earned income or a fixed amount, such as 2,500 euros for each insured employee, can be used as the grounds for determining the premium, for example.

The policyholder is responsible for ensuring that the premium payment plan valid at any given time fulfils the collectivity requirements.

Premiums paid under OP Group Pension are flexible and the amount may be altered on an annual basis. The policyholder informs the insurance company annually of the premium payment plan to be applied and of the division of the premium between the insured. Premium payment ends when the insured person is no longer included in the group or the insured person's employment contract with the policyholder ends.

Investment plan and performance of insurance assets

In the investment plan, the policyholder or, during the validity of the insurance, the insured person notifies of the allocation of premiums to various investment vehicles. The investment vehicles available include three different balanced funds and one money market fund that is suitable for short-term investments. Assets may be freely switched from an investment vehicle to another. Each investment vehicle in the investment plan must represent at least five per cent of the whole. It is possible to perform an unlimited number of transfers free of charge through our online service on the op.fi website.

Insurance assets primarily consist of insurance premiums paid. Given that the return yielded is determined by the value performance of the selected investment vehicles, the value of accrued assets may rise and fall. The historical performance of the funds is no guarantee of good performance in the future. With respect to pension savings and the future amount

of the pension, the insured will bear the risk of investment performance, which also involves the risk of a fall in and/or loss of the amount of capital invested.

The insurance company has the right, in situations specified in detail in the terms and conditions, to restrict insurance asset transfers between investment vehicles, to restrict the allocation ratios of future premiums and to either bring forward or postpone such orders. The insurance company has the right to add, reduce or, in terms of content, change the investment vehicles used for the insurance.

Disability cover

OP Group Pension includes disability cover against permanent disability. It is based on the value of insurance assets. The insured person is entitled to disability pension if he becomes permanently disabled in such a way that he is entitled to a full disability pension in accordance with the Employees Pensions Act (TEL) that is valid for an indefinite period.

Death cover

OP Group Pension also includes death cover in case the insured dies before his retirement or before pension payments have terminated. The death benefit will be 100% of the remaining insurance savings. The cover is effective during the period of employment and during retirement until the age of 90.

The death benefit is paid to the beneficiary specified by the insured person. It is possible to replace the beneficiary with a new one during the contract period by notifying the insurance company in writing of the new beneficiary. Death cover premiums are calculated and charged from the assets each month.

Taxation

Insurance premiums and company taxation

Insurance premiums based on the collective OP Group Pension represent tax-deductible staff costs for the company. Premiums under a collective plan are not regarded as the insured's pay. If the employer replaces some salary payment with the insurance premium, this premium can be regarded as the employee's pay in the insured person's taxation.

Insurance premiums in relation to the employee's taxation

Premiums based on collective pension insurance are not regarded as the insured employee's taxable earned income.

Tax treatment of return on insurance assets

Return on insurance assets is not subject to tax when switching between investment vehicles. Accordingly, the return accrued on assets as a result of the successful selection of investment vehicles will bring accumulating income throughout the investment period.

Tax treatment of pension benefits

Pension to be paid to the beneficiary will be subject to tax on earned income.

Tax treatment of death benefit

If the beneficiary of death benefit is a next of kin to the insured person, the death benefit is subject to inheritance tax.

If the beneficiary is other than the insured person's next of kin, the entire death benefit is taxable capital income.

A death benefit paid to a death estate is considered part of the assets of the death estate. Any property received from a death estate is subject to inheritance tax, regardless of the family relationship between the deceased and the heir or the beneficiary under a will.

This tax information is based on the status in January 2018. Taxation is not part of the insurance contract. Tax legislation may change during the validity of the insurance.

The insurance company will not take responsibility for the collective nature of the pension insurance in taxation, nor for any changes in tax legislation or instructions and interpretations of the National Board of Taxes and consequences thereof.

Information on the Insurance Contract

OP Life Assurance Company Ltd is the insurer and the company is the policyholder. A report on the insured person's state of health is not required for his inclusion in the insurance.

OP Group Pension is a unit-linked supplementary pension insurance in which the value performance of insurance assets is linked to the value performance of insurance vehicles selected by the insured. The inclusion of investment vehicles in the insurance is performed technically to calculate the value of the insurance assets only. The policyholder, the insured person or the beneficiary will have no entitlement to the investment vehicles included in the insurance or assets they contain. Title to the investment vehicles included in the insurance and assets they contain belongs to the insurance company.

However, with respect to all investment vehicles, the policyholder/the insured person will bear the risk for savings performance and the preservation of the savings, which also involves the risk of a fall in or loss of the amount of capital invested. The previous value performance of the investment vehicles is no guarantee of future performance.

The OP Group Pension insurance contract consists of an insurance policy, insurance terms and conditions, product description, technical bases and price sheet. The Insurance Contracts Act and other applicable Finnish legislation shall apply to the insurance contract as far as not otherwise agreed in the insurance terms and conditions or between the parties. Insurance does not fall within the scope of Investors' Compensation Fund or the Deposit Guarantee Fund applied to bank deposits.

Validity of insurance

The insurance contract takes effect as soon as the customer has approved the offer, including the appendices, by his signature.

Insurance coverage enters into force for each insured person once their first insurance premium has been paid. The first premium shall be paid by the end of the policy's inception year.

The insurance will terminate when there are no more persons covered by the insurance, employees eligible for the plan or beneficiaries. The insurance will also terminate if the insurance company has cancelled the policy.

Insurance costs

Insurance costs or the grounds for calculating them are shown in the price sheet included in the offer. An estimate of returns and charges, i.e. an estimate of premiums paid, value performance of insurance assets and charges calculated on the basis of this information, is appended to the insurance offer.

The insurance company will charge expenses related to insurance premiums and insurance assets as specified in the technical bases and the price sheet. Management fees for investment vehicles are included in the value of each vehicle. Extra transactions will be subject to a separate charge.

Providing information on the insurance

The policyholder can check the content of the pension insurance available in the insurance policy and the status of savings available in the annual insurance statement.

All insurance mail to insured persons employed will be sent through the employer, unless otherwise agreed. Insurance mail to those insured whose employment contract has terminated or who have retired will be sent to their home address. The insurance policy and annual insurance mail are available in Finnish and Swedish.

In addition, insured persons can review their information and change investment vehicles through our online service.

The beneficiary must file a written application with the insurance company for pension and other benefits arranged under the insurance. Pensioners are informed by mail of the beginning and ending of pension disbursements, and also receive an annual statement of pension benefits paid by OP Life Assurance Company, and the related tax withheld.

Contractual changes

OP Life Assurance Company has the right to change the selection of investment vehicles used for the insurance and the transaction charges specified on the price sheet.

The company may change the insurance terms and conditions and other contract terms during the contract

period on the grounds specified in the insurance terms and conditions.

Appealing a decision

If you are dissatisfied with a decision made by the insurance company or the insurance company's or its representative's performance, please first contact the insurance company to try to sort out the matter and submit any additional information you may have.

If you still disagree with the decision, you may submit your case to OP Financial Group's internal Customer Ombudsman by filling in a rectification request form on the op.fi/asiakasasiames website. Customer Ombudsman's handling of the case is independent of earlier decision making and the fastest channel for filing a complaint.

OP, Customer Ombudsman
Gebhardinaukio 1, FI-00013 OP
Fax: +358 (0)10 253 2626
asiakasasiames@op.fi

If you do not find the Customer Ombudsman's decision satisfactory or do not wish to make your complaint through the Customer Ombudsman, you may contact the Finnish Financial Ombudsman Bureau (FINE). FINE provides customers with independent advice and guidance free of charge. The Finnish Financial Ombudsman Bureau and its Insurance Complaints Board and Investment Complaints Board also give settlement recommendations in civil action cases. FINE will not process any disputes that are pending or already processed at the Consumer Disputes Board or a court of law.

The Finnish Financial Ombudsman Bureau
Porkkalankatu 1, FI-00180 Helsinki
Tel. +358 (0)9 685 0120
www.fine.fi

The easiest way to get a case under way is by using the electronic contact form at www.fine.fi/tunnistaudu.html.

Following the instructions enclosed to it, a decision made by the insurance company can also be submitted to Helsinki District Court or, in the case of private individuals, to the district court of his place of residence in Finland. Action must be brought within three years of the date when the insurance company's decision was brought to the attention of the party concerned.

OP Life Assurance Company Ltd as Insurer

OP Group Pension is issued by OP Life Assurance Company Ltd, fully owned by OP Financial Group. OP Life Assurance Company Ltd is headquartered in Gebhardinaukio 1, Helsinki, Finland. Our postal address is P.O. Box 308, FI-00101 Helsinki. The company is entered in the Finnish Trade Register under business ID 1030059-2. The solvency and financial condition report of OP Life Assurance Company Ltd is available on the op.fi website.

Customer service for insurance policies is mainly provided by OP Insurance and Group member banks acting as the insurance intermediaries for the company.

Insurance companies and their operations in Finland are overseen by

Financial Supervisory Authority,
P.O. Box 103, FI-00101 Helsinki
Tel. +358 (0)10 831 51

Privacy policy

We will handle your personal data according to law, Privacy Statement and Privacy Policy. Read more about privacy protection at www.op.fi/dataprotection.

OP may store information related to customer transactions and events and record telephone conversations. Such recordings may be used for purposes specified in the Privacy Statement and the Privacy Policy.

If you wish to prevent the use of your information for the above purposes, please contact OP Life Assurance Company Ltd directly. The insurance company has nevertheless always the right to give customer information to a bank operating as its intermediary or to a company within OP Financial Group for customer relationship management purposes.

Insurance sales commissions

OP Life Assurance Company Ltd will pay the agent a percentage-based fee for any insurance premium received for sold insurance policies, and for refunds received for management fees related to the investment vehicles covered by the insurance policy.

Supplementary information

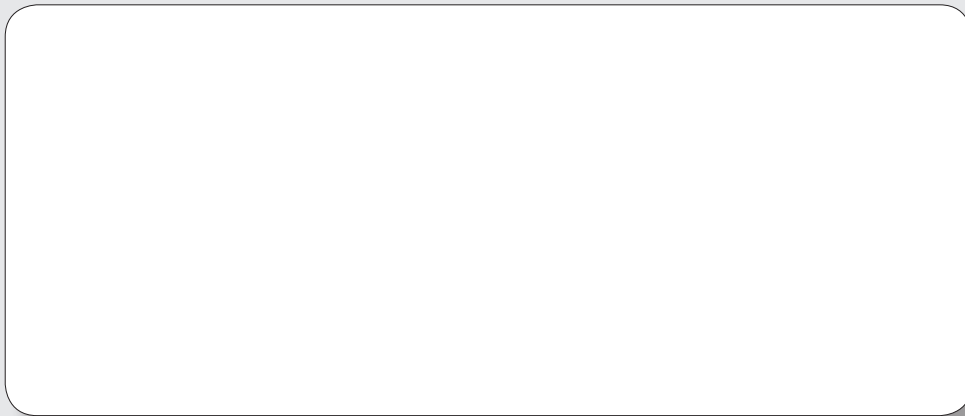
Please ask your company's contact person for more information on OP Group Pension and submit a request for proposal.

If your company has not yet a contact person, please contact your local Group member bank or call at +358 (0)10 252 7930 and ask for more information. You can also send email to REtarjoukset@op.fi.

Further information is also available at op.fi.

Information on insurance intermediary

Your OP Life Assurance agent and intermediary is
(company name, contact information and visiting address):



The intermediary has been entered in the insurance intermediary register maintained by the Financial Supervisory Authority. The registration can be checked with the Financial Supervisory Authority which also oversees insurance intermediaries. Anyone dissatisfied with an agent may turn for help to the same boards etc. as in connection with appeals above.

OP Life Assurance Company Ltd is a life insurance company wholly owned by OP Financial Group. OP Life Assurance Company and the agency's holding of each other's votes or capital does not exceed 10%.

The agent does not sell any other except OP Life Assurance Company Ltd's group pension insurance policies.

