

Board policy on remuneration

Background

According to Chapter 9, Section 4 of the Swedish Occupational Pension Companies Act (2019:742), an occupational pension company must establish and adhere to governance documents regarding remuneration.

Purpose and objectives

The purpose of the board's remuneration policy is to promote sound and effective risk management at AMF and to ensure that remuneration contributes to AMF's ability to recruit and retain competent and skilled employees, thereby supporting the achievement of AMF's objectives.

Scope

The board's remuneration policy sets out the rules and principles governing remuneration for AMF personnel. It outlines the general principles applicable to all employees.

Remuneration principles at AMF shall align with AMF's vision, core values, applicable laws, regulations and industry practices.

The board's committee for remuneration and competence issues shall monitor the application of these rules and prepare certain remuneration matters for decision by AMF's board. The board shall decide, following preparation by the committee, on overarching and principal matters concerning forms of remuneration and benefits for employees, as well as salaries for certain positions.

The policy specifically regulates remuneration for:

- **Senior executives** – defined as the CEO, Deputy CEO, unit heads, General Counsel and Chief Actuary.
- **Employees who may influence the company's risk level** – i.e., those who, in their role, exercise or may exercise a material influence on the company's risk level. This includes senior executives as defined above and those responsible for or performing central functions.

Forms and levels of remuneration

All remuneration shall be individually determined and differentiated based on performance, competence, experience and the responsibility and complexity of the position. Remuneration shall generally be market-based but not market-leading.

Remuneration shall be determined without regard to gender, gender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age.

Employees shall receive pension benefits in accordance with applicable collective agreements or employment contracts. Employees identified as risk-takers may not receive bonuses.

In evaluating individual performance, AMF shall consider the employee's compliance with external and internal rules and policies on risk-taking, including sustainability risks.

Remuneration shall be designed to manage potential conflicts of interest between the employee, the company and policyholders. At a minimum, such conflicts shall be addressed as outlined



below. The annual risk analysis of conflicts of interest shall be considered prior to decisions on these rules.

The remuneration policy shall promote sound and effective risk management and be based on AMF's established risk appetite. The remuneration system shall consider sustainability risks, based on how these are managed within AMF's risk management system.

Review of these rules shall be based on how the policy's design affects the risks AMF is exposed to and how those risks are managed. A risk analysis shall be conducted prior to any material changes to the policy. The policy shall be reviewed annually to ensure it evolves in line with changes in the company's circumstances.

AMF's total remuneration for any given period must not jeopardize its ability to report a positive result over a full business cycle.

The CEO is responsible for establishing AMF's salary policy, including criteria for salary decisions, in accordance with these rules.

Specific provisions for senior executive contracts

Employment contracts for senior executives not covered by collective agreements shall be prepared by the board's remuneration and competence committee for board approval.

Senior executives not covered by collective agreements shall have defined contribution pension plans, with levels determined by the board on a case-by-case basis. Newly appointed senior executives shall be offered defined contribution pension solutions. Such solutions shall also be pursued in renegotiations of terms for existing senior executives.

In the event of termination by the company, severance pay for senior executives not covered by collective agreements shall not exceed twelve (12) months' salary. Severance pay shall be offset against other income. If the employee materially breaches the employment contract or the duty of loyalty, AMF shall have the right to revoke the agreed severance pay. Severance pay shall not be subject to vacation pay or pension contributions.

Notice period and salary during notice shall normally be six months unless otherwise agreed. The basis for notice salary and severance pay shall be the fixed monthly salary.

For termination of employees other than senior executives, applicable collective agreements or agreements between employer and employee shall apply. This also applies to senior executives whose termination terms are not specified in their employment contracts.

Salary review process

When determining salary and terms for newly hired personnel and during salary reviews for existing staff, AMF applies an anchoring process. Before the salary-setting manager communicates salary and terms, the level of remuneration and other key terms must be anchored with the superior manager.

The board decides, following preparation by the remuneration and competence committee, on remuneration and terms for the CEO, Deputy CEO, members of the Executive Management Team and employees reporting directly to the board.

The CEO decides on salaries for the Chief Compliance Officer and the Chief Risk Officer based on proposals from the Head of Staff.



Guidelines for variable remuneration programs

No one at AMF is currently covered by a variable pay program. The introduction of such programs shall be decided by AMF's board.