



VOLVO PERSONVAGNARS PENSIONSSTIFTELSE –REMUNERATION POLICY

2020-02-05

VPPS BOARD

Confidential

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1. BACKGROUND

According to Article 23 of IORP 2 (“**the Directive**”), and 16g § of the Act (1967:531) on securing pension commitments etc. (“**Tryggandelagen**”) a pension trust is required to establish and apply a sound remuneration policy for all those persons who effectively run the pension trust, carry out key functions and other categories of staff whose professional activities have a material impact on the risk profile of the pension trust. The institutions for occupational retirement provision shall regularly publish information on the remuneration policy, unless otherwise provided by the General Data Protection Regulation (EU) 2016/679. In accordance with the Directive and the regulations from the Swedish FSA (“**Finansinspektionen**”) FFFS2019:XX, the Board of Directors for VPPS (“**the Board**”) has adopted the following policy for remuneration.

2. PRINCIPLES FOR DETERMINING REMUNERATION

All remuneration provided by VPPS shall be market-based and may not create incentives for risk-taking that are incompatible with VPPS risk profile and rules.

2.1 Board fee

The board consists of four ordinary members and two deputies, equally divided between representatives for the employer and representatives for the trade unions.

Representatives for the employer does not receive any fee from VPPS.

Representatives for the trade unions is remunerated per full calendar year by 30 percent of the Price base amount for the current calendar year. If the employee representative only served during part of the calendar year, the fee may be adjusted in proportion to the time the employee representative served according to the following formula:

$$(X/Y)*Z$$

Where:

X = 30 percent x Price base amount current calendar year

Y = 365

Z = Number of days employee representative served during current calendar year

2.2 Compensation for outsourced activities

The Board decides on compensation for outsourced activities.

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2.3 Compensations for central functions

The Board decides on compensation for central functions.

3. MEASURES TO AVOID CONFLICTS OF INTEREST

In addition to the board fees, the board member may not participate in any proceedings or decisions in which the board member directly or indirectly has his own interest. Board fees shall be published in VPPS annual report.

4. OVERSIGHT AND ESTABLISHMENT

This guideline is set by the Board of VPPS for entry into force 5 February 2020. The Board is responsible for updating the guideline if necessary, but at least every three years.