

Registered with the Financial and Capital Market Commission on 30 May 2000

Last amendments to the Pension Plan are approved by Decision No. V13-01-20 of the Board of Directors of AS “SEB atklātais pensiju fonds” of 10.07.2020 and are valid from 15.08.2020.

1. Terms used in the Pension Plan

“**Plan**” – Pension Plan SEB-SABALANSĒTAIS (SEB-BALANCED), a fixed contribution pension plan without guaranteed defined investment return or biometric risk coverage: totality of systematised terms and conditions in accordance with which Contributions are made, invested, registered and Private Pension Reserves are paid. Pension Plan SEB-SABALANSĒTAIS (SEB-BALANCED) is the successor of the obligations of Pension Plan UNI-SABALANSĒTAIS/JUNI-1 (UNI-BALANCED/JUNI-1) (Licence No. 00404012).

“**Participant**” – A private individual who participates in the Plan on the basis of the individual or collective participating contract.

“**Fund**” – joint stock company “SEB atklātais pensiju fonds”, registered in Latvia under registration No. 40003485047, legal address Antonijas iela 9, Rīga, LV-1010, licence No. 06.04.04.107/250.

“**Commission**” – an autonomous state institution, which performs the state supervision of the Fund’s operation.

“**Law**” – Law on Private Pension Funds of the Republic of Latvia.

“**Contributions**” – contributions made to the Plan by and/or for the benefit of the Participant.

“**Private pension savings**” – Contributions and income from their management, which have been accumulated for the benefit of the Participant; supplementary pension capital.

“**Company**” – an employer, which makes Contributions for the benefit of its employees on the basis of a contract and in accordance with the Plan.

“**Application**” – A form approved by the Fund, upon the signing of which a Participant, its heirs or an indicated person may perform activities with Private Pension Accumulation.

“**Plan Assets**” – Pension capital funds, securities and other properties, which are managed in accordance with the terms and conditions of the Plan.

“**Fund Manager**” – Investment management joint stock company “SEB Investment Management”(uniform registration No. 40003525797), which manages the Plan Assets in accordance with the contract regarding asset management, and ensures implementation of the investment strategy provided for in the Plan and observance of the terms and conditions regarding investment of the Plan Assets.

“**Fund Holder**” – Credit institution, joint stock company “SEB banka” (uniform registration No. 40003132437), which accepts contributions to the Plan account in accordance with the contract regarding asset holding, receives and holds financial instruments, as well as original documents regarding funds and other property forming the Plan Assets, and executes orders for transfers of the Plan Assets, if they do not conflict with regulatory enactments, provisions of the pension plan and the contract concluded between the Holder of the Funds and the Fund regarding asset holding.

“**The indicated person**” – a person indicated by the Participant in accordance with the procedure of the individual or collective participation contract, which is entitled to receive the Private pension savings in the event of the Participant’s death.

“**Fund web page**” – Fund web page www.seb.lv/Pensija

2. General information

- 2.1. The purpose of the plan is to promote the creation of a private pension savings, its protection and to increase the pension savings in the long term with investment income, ensuring its protection against inflation.
- 2.2. SEB-SABALANSĒTAIS (SEB-BALANCED) is a pension fund where the funds are contributed, accumulated and paid in euros (EUR). If payments are performed in other currencies, they will be converted into EUR in accordance with the currency exchange rate established by the Holder of the Funds at the moment the

payments are credited to the individual accounts of the Participants. The plan provides a balanced fund investment strategy. To ensure this strategy and long-term investment income stability, the Plan assets will primarily be invested in government, municipality and commercial debt securities and term deposits with credit institutions. To use the beneficial market situations and earn additional profit, 35 percent of the assets of the Plan may be invested into shares, other equity securities, real estate, alternative investment funds with a risk capital strategy, alternative investment funds with a real estate investment strategy and European risk capital funds.

- 2.3. The Fund shall also develop and administrate other pension plans. The main difference in various plans shall be the terms and conditions of investing the Participants’ Contributions and Plan Assets, that reflect various proportions of capital return and risk.
- 2.4. The Participants and the Companies may be entitled to receive tax relief established by the regulatory enactments of the Republic of Latvia, if they perform payments into the Fund in accordance with the Plan.

3. Operation of the plan

- 3.1. Participants, Companies, the Fund, the Fund Holder and Fund Manager shall be involved in execution of the Plan. Their rights and obligations are regulated by the contracts concluded by the Fund with the Fund Holder, the Fund Manager, the Participant or the Company, as well as the provisions of the Plan.
- 3.2. The management of the plan is performed by the Board of the Fund and the officials appointed by it. The Chairman of the Board of the Fund shall be liable for the management and execution of the liabilities of the Plan. The Chairman of the Board shall ensure compliance with the terms and conditions included in the Plan, compliance of the execution of the Plan with the Law and requirements of the Commission, shall coordinate collaboration of the Fund with the Fund Holder and the Fund Manager, organise the timely preparation of all documents and informative materials related to the Plan, represent the Fund in relations with its Participants and third parties.
- 3.3. The Fund shall be entitled to assign its specific functions (for instance, attraction of clients, IT system maintenance, etc.) to third parties by concluding respective outsourcing agreements, by following the necessary provisions on personal data protection. The Fund shall coordinate the delegation of such functions with the Commission.
- 3.4. Participant’s Private Pension Accumulation is not and cannot become a property of the Fund, the Fund Manager, the Fund Holder or the Company.
- 3.5. The Participant has the right to request the Fund to transfer the Private Pension Savings or a part thereof to another pension plan, including to the pension plan of another pension fund.

4. Procedure for joining and withdrawal of Participants

- 4.1. The following natural person is entitled to become a Participant:
 - 4.1.1. which concludes an individual participation agreement with the Fund, the terms of which have been agreed by the Commission;
 - 4.1.2. is an employee of the Company, on the basis of a collective membership agreement concluded between the Company and the Fund or on the basis of an agreement concluded between the Company and the Fund, if payments are made on the basis of an individual membership agreement.
- 4.2. If an employee of a company has terminated their legal labour relations with the Company after the commencement of participation in the Plan, or if the Company terminates the transfer of Payments on their behalf, such employee shall retain the status of the Participant and may, according to their choice:
 - 4.2.1. conclude an individual participation contract with the Fund (if such is not concluded) and, based on the provisions of the individual participation contract, continue participation in the plan with or without performing new Payments;
 - 4.2.2. continue participation in the Plan within the framework of the collective participation contract of another Company, if they conform to the criteria of such Company.

- 4.3. Participation in the Plan is terminated:
- 4.3.1. if the Participant transfers the entire Private Pension Savings to another pension plan registered in Latvia and terminates its participation in the Plan or does not resume making new contributions within a year, in such cases the Fund shall make a transfer of the requested Private Pension Savings within five working days after the receipt of the Application of the Participant and all necessary documents by the Fund;
 - 4.3.2. By transferring all Private Pension Savings to a pension plan registered abroad (or another equivalent financial instrument), if its terms and conditions do not contradict the regulatory enactments of the Republic of Latvia on private pension funds and provide that:
 - 1) Private Pension Savings will not be disbursed to the Participant before they reach the age of 55;
 - 2) In the event of the Participant's death, his Private pension savings may receive the persons indicated by the participant or his heirs, unless the Participant has indicated another person in the application submitted to the Fund.
 - 4.3.3. together with the full payment of the Private Pension Savings of the Participant, when the Participant indicates in the application to the Pension Fund that he/she wishes to terminate the participation in the Plan or within a year, if the Participant has not resumed making new contributions;
 - 4.3.4. together with the full payment of the Private Pension Savings of the Participant in the event of his or her death;
 - 4.3.5. if the Company wishes to terminate the collective membership agreement in order to participate in the pension plan of another pension fund and has received the written consent of the Commission and the Participant. In such cases, the request should be submitted to the Commission and the Fund within the time limits specified by Law, indicating in addition to the Fund, those Participants who wish to continue participating and leave their Private Pension Savings in the Plan by entering into an individual membership agreement.

5. Procedure of contributions

- 5.1. The Participants and the Companies shall perform Payments into the Plan in accordance with the provisions of the individual or collective participation contracts. The amount of Payments and payment terms are selected by the Participant of the Company, but these do not affect the rights of the respective Participants to their Private pension savings and the income received from its further management. The Participant and the Company shall not have any negative consequences due to the suspension of contributions, changes in the amount or terms.
- 5.2. If the payments for the benefit of the Participant that arise on the basis of the individual participation contract of the Participant are paid by another person, then such person, the participant and the Fund shall conclude an agreement on the performance of payments into the pension plan.
- 5.3. The Company shall provide information to the Fund, according to a template given by the Fund, about the division of each Contribution by the Company among the Participants, for the benefit of whom such a Contribution is made.
- 5.4. The Fund shall register Contributions in individual accounts of the Participants no later than on the next business day from the receipt thereof.

6. Individual accounts of the Participants

- 6.1. The Fund shall make an individual account for each Participant. Number of an individual account, which shall be equivalent to the Participant's identity number, shall be kept irrespective of the fact that the Contributions are made on the basis of an individual and/or collective participating contract.
- 6.2. All Contributions and income as a result of management, and expenses related to supervision of the Fund's operation, administration, holding and management of the Plan Assets shall be registered in the account. The recording of transactions in the individual account of the Participant shall be performed in a monetary equivalent.
- 6.3. Written information about the status of own individual account regarding changes in it about each reporting period is available to every Participant in AS "SEB banka" internet bank "lbanka". At the Participant's written request, this information may also be provided by the Fund to it in another mutually agreed upon way, at least once a year, no later than in a month's time after the approval of the Fund's annual report in the Shareholders' Meeting or in other terms agreed upon with the Participant.

- 6.4. The Participant or the Company shall provide the information required for the opening and servicing of Accounts according to a template given by the Fund. The Participant or the Company shall inform the Fund about any changes in such details in writing as soon as possible, but not later than within one month.
- 6.5. The Private Pension Accumulation is calculated in accordance with the Regulatory enactments of the Commission regarding the procedure for the calculation of additional pension funds in the private pension fund.
- 6.6. The value of the Private Pension Accumulation in the Participant's individual account is determined by the Fund as a multiplication of the shares of the Participant's Plan with the share value of the Plan.
- 6.7. The share value of the Plan is determined each working day by 11.00 am, by dividing the net assets value of the Plan calculated for the previous working day with the number of shares of the Plan at the end of the previous working day.
- 6.8. The value of the funds that have been accrued in the Participant's individual account is calculated each working day by 3.00 pm, by multiplying the number of shares accrued in the Participant's individual account at the end of the previous day with the share value of the Plan calculated for the previous working day.

7. Provisions regarding retirement age

- 7.1. A Participant may receive his Private Pension Accumulation upon reaching retirement age. In accordance with the plan, the retirement age shall be 55 years old.
- 7.2. In the case if the Participant, upon reaching retirement age, has not requested full payment of his Private Pension Accumulation or the transfer of the same to another pension plan or pension fund and termination of its participation in the Plan, it may continue its participation in the Plan until the desired term and receive the Private Pension Accumulation in accordance with the procedure provided for in Section 8.
- 7.3. Payment or transfer of the Private Pension Accumulation prior to reaching retirement age is permissible in the case if:
 - 7.3.1. The Participant is granted the first level disability status for life;
 - 7.3.2. Private Pension Accumulation is transferred in the cases indicated in Section 4 of the Plan;
 - 7.3.3. Legislation of the Republic of Latvia anticipates the faster receipt of private pensions in connection with the profession of the Member, if:
 - 1) participation in the pension plan is started by 31 March 2016, accumulation of the private pension is paid if the Member is employed in the profession at the moment when the private pension capital costs are requested and the total length of service of the Member in the particular profession is at least 12 months, or where the Member has been employed during the last 3 years (counting from the moment of declaration of the private pension capital costs), and the length of service in the particular profession is at least 12 months;
 - 2) participation in the pension plan is started as of 1 April 2016 or later, and the duration of employment in the relevant profession is at least 10 years, accumulation of the private pension is paid adhering to criteria laid down in the Cabinet Regulations of the Republic of Latvia concerning special professions where the retirement age of workers specified in the private pension funds pension plans can be less than 55 years old.

8. Procedure for the payment of Private Pension Accumulation

- 8.1. When the Participant has acquired the right to deal with its Private Pension Accumulation, it may, in addition to the cases indicated in Section 4 of the Plan and on the basis of its Application:
 - 8.1.1. to receive the Private Pension Accumulation in parts or periodically, in accordance with the Fund's methodology for the repaid amount and the calculation of personal income tax,
 - 8.1.2. receive full Private Pension Accumulation as one amount in a single payment.
- 8.2. By selecting the receipt of the Private Pension Accumulation in parts, the Participant shall indicate the amount and regularity of payments in its Application to the Fund. Remaining Private Pension Reserve shall be invested according to the Plan investment terms and conditions until fully paid. Participant's Participation in the Plan shall be terminated upon the last payment.

- 8.3. In the event of the Participant's death, the Private pension savings shall be paid out to the Indicated persons or the heirs of the Participant in accordance with the procedure provided for by the Civil Law, unless the Participant has indicated another person in the application submitted to the Fund. The disbursement is executed by a single payment, except for in the cases when an agreement with the Fund exists regarding another type of disbursement procedure, by making a transfer to the account of the heirs of the Participant or to the account of the Indicated Persons at the bank or postal payment system, and the age at which the Participants has deceased shall not affect the Private Pension Savings.
- 8.4. The Fund shall transfer the Private pension savings to the indicated account within five business days after the receipt of the Application of the Participant, its Indicated Persons or heirs and all documents required by the fund.
- 8.5. If the Participant is entitled to the earlier receipt of the private pension due to the profession of the Participant, the reference from the employer indicating the name, surname, personal ID number, work experience in the particular profession at the company and full name of the position, including the name of the profession as indicated in the regulatory enactments of the Republic of Latvia must be submitted. Participants who already receive a service pension shall submit a copy of the service pension certificate, demonstrating the original thereof.
- 8.6. A document that confirms the right of the respective person to the Private Pension Savings and a copy of a personal ID document must be enclosed with the Application of each heir or person designated by the Participant.

9. Investment provisions

- 9.1. Investment of Plan Assets shall be made in accordance with the Plan investment policy. The Fund's operation guidelines shall be investment transparency, application of the best practice and precautionary principles, as well as placement of the Plan Assets in financial instruments only, by observing the investment restrictions determined by the Law. Plan investment provisions may be modified by receiving a permit of the Commission to make relevant amendments to the Plan.
- 9.2. By investing the Plan Assets, the Fund shall act as a careful and accurate owner in the interests of the Participants only, and shall observe the precautionary principles that ensure risk reduction, investment security, quality and liquidity, in accordance with the obligations of payment of the Participants' Private Pension Accumulation.
- 9.3. The most significant investment restrictions of the plan are :
 - Total fixed income and money market financial instruments up to 100%,
 - Total shares and other capital securities up to a total of 25%,
 - real estate, alternative investment funds with a venture capital strategy, alternative investment funds with a real estate investment strategy and European venture capital funds up to a total of 10%
- 9.4. Investments in the objects stated in Clause 9.3 may also be made by investment to the Fund where the fund investment policy allows relevant investment.
- 9.5. Plan Assets may be used for loans up to 10 percent of the Plan Assets to provide temporary liquidity for up to three months. Plan Assets may only be used in repurchase transactions to provide temporary liquidity to the plan for a period of up to three months. The total amount of liabilities for short-term liquidity provision and repurchase transactions may not exceed 50 percent of the pension Plan Assets.
- 9.6. The principal financial risks of investing Plan Assets are interest rate, currency exchange fluctuation and price fluctuation risks:
 - Risk of interest rate fluctuations - as the market interest rates change, the value of the pension plan assets may change, which affects the performance of the pension plan. The value of debt securities may fluctuate depending on changes in interest rates: if interest rates rise, the prices of these securities fall, and vice versa;
 - Currency risk - pension plan assets can be invested in securities denominated in foreign currencies. As the exchange rates of foreign currencies against the Euro fluctuate, the value of the Plan Assets may increase or decrease respectively;
 - Price volatility risk - the price of securities, as well as income from them, is subject to fluctuations that directly affect the value of the pension plan assets owned by the investor.
- 9.7. Derivative financial instruments will only be used for the management of risks of fluctuations of interest rates and currency rates.

- 9.8. The Fund, Asset Manager and Holding Bank do not guarantee savings or the increase in the value of additional pension capital. Pension plan's historical profitability is not a guarantee of the fact that the yield will also be ensured in the future.
- 9.9. Information about the Plan investment policy is available to the Participants free of charge in the premises of the Board of Directors of the Fund, as well as on the Fund's web page.

10. Procedure for income distribution

- 10.1. If the income of the Fund exceeds the expenses of the Fund after having covered the losses of previous years, the remaining balance is transferred to the Participants' accounts in proportion to the Private Pension Accumulation at the end of the reporting year.
- 10.2. If a Participant requests payment or transfer of the Private Pension Accumulation, the respective amount is calculated for the end of the working day prior to the scheduled payment.
- 10.3. For those participants who discontinue their participation in the Plan based on a Company application for the transfer of the Private Pension Savings to a different pension fund, the calculation is performed for the working day prior to the day when the Private Pension Savings are transferred.

11. Procedure of covering the Plan expenses

- 11.1. Expenses of the Plan comprise deductions to the Commission, as well as remuneration to the Fund, the Fund Holder and the Fund Manager.
- 11.2. Deductions for financing of the activities of the Commission shall be made from each Contribution to an amount determined in the laws and regulations. No deduction shall be made to the Commission for any transfers between the Fund plans or from another fund.
- 11.3. The maximum allowable remuneration of the Fund, Asset manager and Fund holder is 1.33 percent in total of the Plan Assets per year, not including the additional remuneration for the Asset manager specified in clause 11.6. Detailed Fund price list, including information on applicable discounts is available on Fund's web page.

Summary of expenses of the Plan (maximum permissible remuneration)

Subject of expenses	From contributions	From the Plan Assets	Payment of the Private Pension Reserve to a Participant	Transfers of the Private Pension Reserve to another plan or pension fund
The Fund	-	0.85% annually	-	-
Fund Holder	-	0.08% annually	-	-
Manager	-	0.4% annually	-	-

- 11.4. The Fund shall conclude contracts with the Fund Holder and the Fund Manager regarding holding and management of the Plan Assets.
- 11.5. Remuneration to the Fund, the Fund Manager and the Fund Holder is calculated and accrued on a daily basis. The remuneration provided to the Fund is deducted once a month, to the Fund Manager - once a quarter (additional remuneration - once a year), to the Fund Holder - once a year.
- 11.6. The payment for each day is calculated by multiplying the assets value of the Plan for the previous day with the amount of each payment, and then dividing the obtained value by 360. The total amount of payment for a specific period is obtained by summing up the amount of calculated payment for each day from the beginning of the period until, and inclusive of the day of the calculation.
- 11.7. Total expenses of the Fund shall be determined according to the annual budget approved by the Council of the Fund. In the case if the Fund income is less than expenses, the difference between expenses and income shall be covered from the equity capital of the Fund.

12. Monitoring the operation of the plan

- 12.1. Employer and employees who participate in the Plan, in a Company, which has concluded a collective participating contract, shall jointly establish a Committee with equal representation of the employer and employees. In the case if less than one hundred employees of the employer are participants of the Plan, establishing of a Committee is not compulsory. The Committee shall be entitled to inform the Commission about any violations discovered by the same in the course of execution of the Plan.

- 12.2. Financial operation of the Fund shall be controlled and its annual report shall be audited by a sworn auditor or the commercial company of certified auditors.
- 12.3. Participants shall be entitled to familiarise themselves with all documents related to their participation in the Plan, in the premises of the Board of Directors of the Fund.
- 12.4. The Fund shall inform each Participant, at least on an annual basis, in writing, about the following:
- Status of the Participant's individual account;
 - The Participant's Contributions received in the Fund;
 - Contributions received in the Fund for the benefit of the Participant;
 - The Private pension accrual paid to the Participant or transferred at its request;
 - The sum total of deductions applicable to the Participant which includes the remuneration of the Fund, the Asset Manager and the Holder of the Funds, the deductions to the Commission, as well as other justified deductions;
 - Fund Holder and Fund Manager;
 - The Fund's certified auditor (or the commercial company of certified auditors) and its (his/her) opinion about the Fund's annual report by indicating whether the opinion has been qualified, unqualified or negative;
 - Options to become familiarised with the Fund's annual report.
- 12.5. The Fund provides information to the Participant about the historical and topical results of the Plan by publishing the respective data once a month on Fund's web page.
- 12.6. The Fund shall provide information to the Participants on its right to receive the Private Pension Savings and on the options for receiving it, providing information no later than 6 months before such right arises.
- 12.7. General operation of the Fund shall be supervised by the Commission, in accordance with the Law.
- 12.8. If amendments are made to the pension plan, the Fund shall inform the Participants by publishing information on the amendments on the Fund's website no later than within 5 working days after receiving the written consent of the Commission or no later than within 7 working days if such consent is not required. Additional information on amendments to the pension plan is provided together with the information to be provided to the Participant on a regular basis.