



Compensation policy

Purpose

The Board's rules for compensation (compensation policy) outline the regulations and principles that apply to compensation for personnel at AMF.

The compensation principles at AMF should be in alignment with AMF's vision and core values, applicable laws, regulations, and industry practices. All compensation should be individually determined with the purpose of attracting and retaining competent and skilled employees.

The compensation policy should promote effective risk management at AMF and should be based on AMF's determined risk appetite. This includes the management of sustainability risks. The policy should be reviewed annually to evolve alongside changes in the company's situation. The review of these rules should be based on an analysis of how the policy's design impacts the risks faced by AMF and how these risks are managed

Scope

The Competence and Compensation Committee shall monitor the application of these rules and prepare certain compensation matters for decision by AMF's Board of Directors. The Board, following preparation by the Competence and Compensation Committee, decides on overarching principles regarding forms of compensation and benefits for employees, as well as salaries for certain positions described in section 19.6.

It is the responsibility of the CEO, taking these rules into account, to establish AMF's salary policy. The salary policy describes criteria that apply to salary decisions.

The compensation policy outlines the general principles governing compensation for all personnel and specifically regulates matters concerning executive officers – including the CEO, Vice CEO, Chief Legal Officer, Chief Actuary, and unit managers who report directly to the CEO.

Limitations

The parent company's board strives for common guidelines and principles to apply, in applicable parts, to the entire group's operations through the ownership instructions for the subsidiaries AMF Fonder and AMF Fastigheter.

Forms of compensation and compensation levels

Compensation at AMF should reward good performance and desirable behavior and generally be market competitive rather than market leading. Furthermore, compensations at AMF should be designed to address potential conflicts of interest between the employee, the company, and the insured and policyholders, and these conflicts should be managed, at minimum, as described below. The annual risk analysis of conflicts of interest should be considered before deciding on these rules. AMF's total compensation for a specific period must not jeopardize AMF's ability to consistently report a positive result over an economic cycle. Employees in central functions of compliance, internal audit, risk management, and actuary roles are not eligible for variable compensation programs or bonuses.

Employed personnel shall have pensions according to applicable collective agreements or employment contracts.



Agreements specifically for senior executives

Employment contracts for executive officers not covered by collective agreements should be formulated according to the standard set for such contracts as determined by the Competence and Compensation Committee.

Executive officers not covered by collective agreements should have pension benefits in accordance with the terms of premium-defined pension plans in the applicable collective agreement. Newly appointed executive officers should be provided with premium-defined pension solutions. Premium-defined solutions should also be pursued when renegotiating terms for already employed executive officers.

In case of termination of employment of executive officers not covered by collective agreements from the company's side, severance pay should not exceed twelve (12) monthly salaries. Offset shall occur against severance pay for other income. If the employee significantly breaches the employment contract or disregards the loyalty obligation arising from the employment relationship, AMF shall have the right to revoke agreed severance pay. The severance pay shall not be used for calculating holiday pay or pension. Notice period and notice pay shall normally be six months unless otherwise stipulated in a specific agreement. The basis for notice pay and severance pay shall be the fixed monthly salary.

In case of termination of other than executive officers, applicable collective agreements or agreements developed by the employer and employee shall be followed. This also applies to executive officers whose termination conditions have not been agreed upon in the employment contract.

Anchoring process for salary review

In determining the salary and terms for newly employed personnel and during salary reviews for already employed personnel, AMF applies an anchoring process. The process entails that before the salary-setting manager communicates salary and terms, the level of compensation and other essential terms should be anchored with the superior manager.

The Board, following preparation by the Competence and Compensation Committee, decides on compensation and terms for the CEO, Vice CEO, members of Corporate Management, and employees directly accountable to the Board.

The CEO determines the salary for the Compliance Officer and Risk Manager based on a proposal from the Chief of Staff.

Guidelines for Designing Variable Compensation Programs

No one at AMF is covered by variable pay programs. The introduction of variable pay programs is decided by AMF's Board of Directors.