INFORMATION DOCUMENT PROVIDING KEY INFORMATION ON THE CONDITIONS FOR PARTICIPATION IN THE SUPPLEMENTARY VOLUNTARY PENSION ACCUMULATION FUND LUMINOR PENSIJA DARBUOTOJUI 1 PLIUS

• the conditions and methods of termination of the pension agreement

In order to terminate the pension agreement, a request for termination of the pension agreement must be submitted. The request may be submitted in writing at the customer service centres of Luminor bank AS Lithuania or via the Internet Bank. The funds will be transferred to the account specified by the participant no later than within 7 working days from the date of receipt of the request.

• restrictions on termination of the pension agreement provided in the rules

Termination of the pension scheme without transferring to another pension fund before the participant reaches the retirement age which is 5 years below the retirement age for the old-age pension provided by the State Social Insurance Fund is prohibited, except for the exceptions set out in the legislation and the rules [only for employee funds]

• methods and procedures for payment of pension contributions

A participant may make periodic or non-periodic contributions at the level of his choice. Pension contributions shall be paid by transfer to the account of the pension fund:

Bank account	**Fund name**
LT474010058002227499	Luminor pensija darbuotojui 1 plius

The beneficiary field contains the name of the pension fund and the purpose of the payment contains the number of the pension agreement or the personal identification number of the person for whom the contribution is made. If the contribution is made by the employer, the company code is provided at the payer identification field.

Only if the information is correct and the transfer is made to the correct bank account of the pension fund will we be able to allocate the pension contributions to the participant in time. If we are unable to identify the pension contribution paid, we will return it to the payer.

• methods and procedures for pay-outs

Entitlement to pension pay-outs is acquired upon reaching the retirement age which is 5 years below the retirement age set for the old-age pension under the state social insurance or upon being declared incapable of work or partially capable of work by the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour (before 1 July 2005, upon being declared a disabled person of Group I or Group II by the state social medical examiners commission).

Once the entitlement to the pension pay-out has been established, it is possible to postpone the start of payment. You do not need to take any additional steps to continue your accumulation in the 3rd pillar pension funds – if you do not apply for a pension benefit agreement, we will consider that you have exercised your right to postpone the start of the pay-out and you will continue to participate in the pension accumulation.

Pension pay-outs are available once a pension pay-out agreement has been concluded on the method and terms of payment of pension pay-outs. You can conclude a pay-out agreement at the nearest customer service centre of Luminor Bank AS Lithuanian Branch or by logging into Luminor Internet Bank.

Pension pay-outs may be paid in the following ways at the participant’s choice:

1) a one-time lump sum;
2) by purchasing a pension annuity from an insurance company carrying on life insurance business.

Once a pension pay-out agreement has been concluded, no additional pension contributions will be payable.

- **assessment of pension fund suitability and information to participants on 3rd pillar pension funds of recommended risk**

Given the features and specificities of 3rd pillar pension fund as a financial product, including the fact that it is one of the components of the national pension system (alongside the state social security pension and the accumulation in 2nd pillar pension funds), the main purpose of concluding a pension contract is the need to accumulate funds for retirement. The suitability of a pension fund is determined by taking into account the degree of risk of the pension fund (including the proportion of more risky and less risky financial instruments in the portfolio) and the age of the participant (together with the period until the retirement age or another age that entitles the participant to receive a pension pay-out from a 3rd pillar pension fund). It is recommended to choose a fund based on the age of the participant and to consider changing the fund once the recommended age has been reached in order to reduce the investment risk.

- **investment strategy, age groups of participants for whom this pension fund is most suitable, potential risks of saving outside your age group**

Luminor pensija darbuotojui 1 plius is a low/medium-risk fund where up to 25% of the assets can be invested in equity markets. The choice of a global exposure to equities provides a more stable long-term return than sector or regional funds. The remainder (at least 75%) is mainly invested in investment-grade euro area government and corporate bonds or bond funds. The fund is suitable for savers aged over 60.

Additional risks arising from accumulating pension contributions in a pension fund that is not age-appropriate for the participant:

1) Accumulation in a fund with a higher proportion of its investment portfolio in asset classes considered risky (e.g. equities) compared to the investment portfolio of a pension fund matching the participant's age is subject to a higher risk of unacceptable losses over the remaining period of the accumulation. While the returns on equities and other risky asset classes are likely to outweigh the risk of potential losses over a sufficiently long period of time under normal investment conditions, their market value may be subject to relatively large fluctuations, the value of the accumulated pension assets may increase or decrease significantly, respectively, and there is a greater risk that the returns on risky asset classes will not outweigh potential adverse fluctuations in value over the remaining accumulation period;

2) Accumulation in a fund with a higher proportion of the investment portfolio in asset classes that are less risky (e.g. bonds) compared to the investment portfolio of the participant's age-appropriate pension fund, is subject to a higher risk of not obtaining the maximum investment benefit over the entire accumulation period and of not exposing the accumulated pension assets to the risk of inflation compared to the extent that would be possible with the accumulation of contributions in a pension fund that is appropriate to the age of the participant. Although equities and other risky asset classes tend to have a higher risk compared to less risky asset classes, the longer the investment horizon, the more likely it is that the returns of the risky asset classes will outweigh any negative fluctuations in value over the remaining accumulation horizon.

- **the cost of the pension agreement and other related payments under the pension agreement, including the impact of taxes on potential returns**

Fee	Amount of the fee
Initial asset management fee (based on premium)	Not applicable

Annual asset management fee	0.80%
Depositary fee	0.07%
Withdrawal from the pension fund (before retirement age)	1.00%
Switching to another Luminor pension fund	Not applicable
Transfer of funds from another pension fund or company	Not applicable
Transfer to another company's pension fund	Not applicable
Withdrawal from the pension fund (before retirement age)	Not applicable

Other expenses charged to the pension assets are the actual costs of transactions for the account and benefit of the pension fund under contracts with intermediaries, the cost of banking services, and the cost of auditing the pension fund. The total maximum amount of these expenses may not exceed 0.5% per financial year of the net asset value of the pension fund.

The fees applicable to the pension agreement are available at https://www.luminor.lt/en/iii-pillar-pension-funds-pricelist. Taxes deducted from assets under management have an impact on potential returns.

• **state tax treatment of 3rd pillar pension accumulation agreements**

Pension fund members can benefit from personal income tax relief on pension contributions paid for themselves, their spouse, children under 18 and disabled children over 18. The relief is only available for the amount which, together with other expenses that reduce the personal income tax, does not exceed 25% of the participant's taxable income and which in any case does not exceed EUR 1500. The personal income tax benefit is available when declaring income for the previous year.

Employer contributions to the 3rd pillar fund are exempt from tax if the contributions made to the pension fund does not exceed 25% of the calculated taxable employment-related income.

After the benefit of the personal income tax relief, it will not have to be repaid if the contributions have been accumulated for at least 5 years and the funds are withdrawn from the pension fund at the minimum retirement age (55 for agreements concluded before 31/12/2012 and 5 years before the retirement age for the state social insurance pension for agreement concluded after 01/01/2013), or if the recipient has the level of incapacity for work of between 0 and 25 per cent, or between 30 per cent and 40 per cent, at the time of receipt. If these conditions are not met, 15% personal income tax will be deducted from the amount paid.

• **sustainability-related information**

Sustainability-related information in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector is available at https://www.luminor.lt/lt/su-tvarumu-susijusios-informacijos-atskleidimas.

• **information on the distributor of pension products**

Luminor Bank AS Lithuanian branch, legal entity code 304870069, registered address Konstitucijos pr. 21A, 03601, Vilnius, info@luminor.lt, tel. +370 5 239 3444