

Rules of Procedure of the Executive Committee of ATP

1. INTRODUCTION

- 1.1 The purpose of the Executive Committee is to make decisions and to prepare and implement Supervisory Board decisions as authorised by the Supervisory Board.

2. FORMAL FRAMEWORK

- 2.1 The Executive Committee consists of the Chairman and two members of the Supervisory Board, appointed by the employer and employee representatives, respectively, on the Supervisory Board.
- 2.2 New members appointed to the Executive Committee are provided with a copy of the Rules of Procedure of the Executive Committee. Subsequent updates are sent to the members of the Executive Committee as soon as possible.
- 2.3 The decisions of the Executive Committee must be approved by both the employee and employer representatives on the Executive Committee. In case of dispute, each member is entitled to demand that the case be submitted to the ATP Supervisory Board.
- 2.4 If circumstances exist that give rise to doubts as to a member's impartiality in a case, the member may not be present during the consideration of the case.
- 2.5 Members are required to volunteer information about circumstances that may give rise to doubts as to their competence.
- 2.6 The meetings of the Executive Committee are minuted. Following preliminary approval by the Executive Committee, the minutes are distributed to the members of the ATP Supervisory Board for information. The minutes are submitted to the Executive Committee at the first ordinary Executive Committee meeting with a view to final approval and signing. The approved and signed minutes are also distributed to the Supervisory Board.
- 2.7 The Executive Committee usually convenes seven times a year and otherwise as requested by a member of the Executive Committee or by the ATP CEO.
- 2.8 Ordinary meetings are scheduled at a meeting during the first half of the year before the year in question. Extraordinary meetings are called, if possible, by giving at least eight days' notice by letter, email or other suitable means of communication to all members of the Executive Committee.
- 2.9 In general, materials for the meeting are distributed on the weekday before the meeting.

- 2.10 To the extent consistent with the Executive Committee's duties, Executive Committee meetings may be held in writing. In case of distribution of material for written consideration, a final date for the written consideration is stated (deadline). Within the deadline, any member of the Executive Committee may demand an oral discussion, possibly by means of an electronic meeting, e.g. a conference call. The Executive Committee members' answers must consist of an actual active declaration from the individual Executive Committee member. The members must subsequently be informed of the final decision that has been made in writing. The result of the written consideration is minuted at the first ordinary Executive Committee meeting. The minutes must include the members' declarations and the time of the end of the meeting (deadline).
- 2.11 The ATP CEO attends the meetings of the Executive Committee. Unless otherwise decided by the Executive Committee in each case, other senior executives attend at the request of the CEO.

3. DUTIES OF THE EXECUTIVE COMMITTEE

- 3.1 The Executive Committee has the power to make decisions on the investment and management of ATP's assets within the framework of current legislation, guidelines and limits established by the ATP Supervisory Board. Acting upon the recommendation of the CEO, the Executive Committee may authorise minor deviations from agreed limits. Any such deviations must appear from the minutes sent to the ATP Supervisory Board.
- 3.2 The Executive Committee has the power to fix and determine the remuneration of members of ATP's Group Management – with the exception of the ATP CEO.
- 3.3 The Executive Committee annually discusses the composition of the Group Management, as well as developments, risks and succession plans.
- 3.4 The Executive Committee has the power to enter into agreements with employees and their organisations on terms of pay and employment.
- 3.5 The Executive Committee has the power to approve transactions etc. concerning funds invested in real estate, including via company structures, as well as in real estate funds belonging to ATP and ATP's subsidiaries.
- 3.6 The Executive Committee approves recommendations from the CEO on amendments to the Danish ATP Act (*ATP-loven*) and the Danish LG Act (*LG-loven*) and the Danish Act on The Labour Market Fund for Posted Workers (*Lov om Arbejdsmarkedets Fond for Udstationerede*).
- 3.7 The Executive Committee has the power to approve general instructions and guidelines sent to members and their employers.
- 3.8 The Executive Committee has the power to determine the size of the financing contribution to finance the expenses of the LG scheme (the Employees' Guarantee Fund).

- 3.9 The Executive Committee has the power to submit a proposal for the size of the annual financial contribution concerning unemployment etc., sickness, maternity/paternity and rehabilitation programme benefits during job clarification from the VAT and payroll liable private employers to the Minister for Employment in accordance with the Danish Unemployment Insurance Act (*Lov om arbejdsløshedsforsikring m.v.*), the Danish Sickness Benefits Act (*Lov om sygedagpenge*), the Danish Act on Active Social Policy (*Lov om aktiv socialpolitik*) and the Danish Act on Compensation and Transport Allowance when Participating in Vocational Adult and Supplementary Training (*Lov om godtgørelse og tilskud til befordring ved deltagelse i erhvervsrettet voksen- og efteruddannelse*).
- 3.10 The Executive Committee represents ATP at the general meetings of ATP's subsidiaries; see, however, sections 6.5 to 6.8 of the Supervisory Board's guidelines for the CEO.

The Executive Committee may authorise the CEO and other members of the Group Management to represent ATP at the general meetings of ATP's subsidiaries; see, however, sections 6.5 to 6.8 of the Supervisory Board's guidelines for the CEO.

4. SPECIAL COMMITTEE DUTIES

- 4.1 The Executive Committee is responsible for performing the duties of the ATP Remuneration Committee.
- 4.2 The Executive Committee makes recommendations to the Supervisory Board on the ATP Pay Policy, including guidelines for incentive pay schemes.
- 4.3 The Executive Committee prepares Supervisory Board decisions on remuneration that may influence ATP's risk management.
- 4.4 The Executive Committee prepares proposals for the Supervisory Board's recommendations to the Board of Representatives on remuneration of members of the Board of Representatives, the Supervisory Board and the Supervisory Board committees for the current financial year.
- 4.5 The Executive Committee makes recommendations on the remuneration of the CEO, the Chief Actuary and the Chief Auditor to the Supervisory Board.
- 4.6 The Executive Committee ensures that recommendations on remuneration are in compliance with ATP's pay policy and the performance of the officer in question.
- 4.7 The Executive Committee must monitor the trend of the ATP remuneration, performance-related pay and co-investment schemes on an ongoing basis to assess whether the schemes and the pay policy are in compliance with Danish legislation and the rules laid down by the Supervisory Board.
- 4.8 Once a year, the Executive Committee reports to the Supervisory Board on the monitoring of pay policy compliance. The Executive Committee also informs the Supervisory Board of the annual implementation of individual performance-related pay schemes.

- 4.9 The Executive Committee monitors that the disclosures in the annual report on the remuneration of members of the Board of Representatives, the Supervisory Board, the Supervisory Board committees and the CEO are correct, fair and adequate.

5. REPRESENTATION

- 5.1 The Executive Committee has the power to appoint persons other than the Chairman to represent ATP.
- 5.2 The Executive Committee has the power to respond to inquiries from public authorities or others directed to the Supervisory Board, unless the inquiry pertains to material matters of principle.

6. URGENT SIGNIFICANT DECISIONS

- 6.1 Where – in the interests of ATP – it is necessary to make urgent decisions in matters determined by the Supervisory Board, such as changes to or deviations from guidelines and limits established for investments, the Executive Committee is authorised to make the necessary decisions. The Chairman must notify the Supervisory Board of such decisions without delay. The decisions must be set out in the minutes of proceedings of the Supervisory Board meeting, submitted to the Supervisory Board for approval at the next meeting.

7. CLOSING PROVISIONS

- 7.1 These Rules of Procedure of the Executive Committee replace former Rules of Procedure of the ATP Executive Committee. Any amendments to the Rules of Procedure must be carried by a majority of the employer and employee representatives on the Supervisory Board.
- 7.2 The Rules of Procedure are reviewed once a year to identify any required amendments.

Adopted at the Supervisory Board meeting on 3 May 2018

Torben M. Andersen
Chairman of the Supervisory Board