

## Report on how ATP complies with/explains deviations from the Recommendations on Corporate Governance from November 2017 issued by the Committee on Corporate Governance

The Danish ATP Act (ATP-loven) regulates a number of aspects regarding ATP's management and governance, which are also dealt with in the Recommendations on Corporate Governance. Although ATP does not have a statutory obligation to comply with the Recommendations on Corporate Governance, the ATP Supervisory Board has decided that ATP will comply with the recommendations according to the comply-or-explain principle. Where ATP's special circumstances make it necessary to deviate from the recommendations, this is either explained or indicated by 'not applicable' (n/a).

Recommendation	Complied with or explained	Documentation /reference	Traffic lights	Publication
<b>1. Communication and interaction by the company with its investors and other stakeholders</b>				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
1.1.1. The Committee <b>recommends</b> that the board of directors ensure ongoing dialogue between the company and its shareholders, so that the shareholders gain relevant insight into the company and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	Complied with/ Explained	In this context, the members, the social partners, ministries, the press and other external stakeholders are equated with shareholders.		Website Social media Fact Current correspondence
1.1.2. The Committee <b>recommends</b> that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders, and that the board ensure that the interests of the stakeholders are respected in accordance with company policies.	Complied with	ATP has, for example, adopted a Policy for Internal and External Communications.		
1.1.3. The Committee <b>recommends</b> that the company publish quarterly reports.	Complied with	Apart from the statutory annual report and the statutory interim report for H1, ATP also publishes quarterly reports for Q1 and Q3.		Website Press releases
<i>1.2. General meeting</i>				
1.2.1. The Committee <b>recommends</b> that in organising the company's general meeting, the board of directors plan the meeting to support active ownership.	Complied with/ Explained	ATP is managed by a Board of Representatives, a Supervisory Board and a Chief Executive Officer (CEO). ATP's Meeting of Representatives is seen as the general meeting.  The Supervisory Board determines the time for the		

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		Meeting of Representatives one year in advance, and the members of the Board of Representatives are informed as soon as possible thereafter.		
1.2.2. The Committee <b>recommends</b> that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	Complied with	Proxies that make it possible to consider each individual item on the agenda are submitted for Supervisory Board meetings as well as the Meeting of Representatives.		
<b>1.3. Takeover bids</b>				
1.3.1. The Committee <b>recommends</b> that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the board of directors should not, without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which, in reality, prevent the shareholders from deciding on the takeover bid themselves.	n/a			
<b>2. Tasks and responsibilities of the board of directors</b>				
<b>2.1. Overall tasks and responsibilities</b>				
2.1.1. The Committee <b>recommends</b> that at least once annually the board of directors consider the matters that should be included in the board's performance of its work.	Complied with	The Supervisory Board plans the performance of its regular recurring responsibilities for the coming year by adopting a year wheel which is used to arrange its meetings. Moreover, annual board themes are determined in the form of recurring topics, which the Supervisory Board addresses during the year.		
2.1.2. The Committee <b>recommends</b> that at least once annually the board of directors consider the overall strategy of the company with a view to ensuring value creation in the company.	Complied with	While taking the business model into account as defined in the Danish ATP Act, the Supervisory Board annually sets ATP's overall objectives and strategies. The Supervisory Board follows up on this semi-annually.		
2.1.3. The Committee <b>recommends</b> that the board of	Complied	At least once a year, the Supervisory Board performs an		Annual report

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<p>directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors explain this in the management commentary and/or on the company's website.</p>	<p>with</p>	<p>assessment of its own risk and solvency situation based on a going-concern assumption, both in the short and the long term.</p> <p>The Supervisory Board has adopted a bonus policy that describes the principles for increasing pensions to ATP's members and paying bonus to ATP's pensioners.</p>		<p>Solvency and Financial Condition Report (SFCR) Website</p>
<p>2.1.4. The Committee <b>recommends</b> that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.</p>	<p>Complied with</p>	<p>ATP is subject to a number of strict management rules similar to those applying to financial institutions; see the Executive Order on Management and Control of ATP (<i>Ledelsesbekendtgørelsen for ATP</i>).</p> <p>The Supervisory Board annually reviews and revises the guidelines for the CEO and other guidelines and makes a decision, among other things, on the frequency and scope of the CEO's reporting and information to the Supervisory Board.</p>		
<p>2.1.5. The Committee <b>recommends</b> that at least once annually, the board of directors discuss the composition, developments, risks and succession plans of the executive board.</p>	<p>Complied with</p>	<p>The Supervisory Board continuously assesses whether the CEO performs his tasks in accordance with ATP's strategy and goals, risk profile, policies and guidelines.</p> <p>The composition and development of the Executive Board as well as succession plans are discussed annually by the Executive Committee and the Supervisory Board.</p>		
<p><b>2.2. Corporate social responsibility</b></p>				
<p>2.2.1. The Committee <b>recommends</b> that the board of directors adopt policies on corporate social responsibility.</p>	<p>Complied with</p>	<p>The Supervisory Board has laid down a Policy of Responsibility in Investments, a Policy of Active Ownership, a Policy of Tax on Unlisted Investments and a Diversity Policy.</p>		<p>Policy of Responsibility in Investments Policy of Active Ownership Policy of Tax on Unlisted Investments</p>

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				Annual report The Responsibility Report is published on ATP's website
<b>2.3. Chairman and vice-chairman of the board of directors</b>				
2.3.1. The Committee <b>recommends</b> appointing a vice-chairman of the board of directors, who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	n/a	The composition of the Supervisory Board is prescribed by the Danish ATP Act, including that the Supervisory Board is headed by an independent chairman.		
2.3.2. The Committee <b>recommends</b> that, if the board of directors, in exceptional cases, asks the chairman of the board of directors or other board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect should be passed to ensure that the board of directors maintains its independent, general management and control function. Resolutions on the chairman's or other board members' participation in day-to-day management and the expected duration hereof should be publicly announced.	Complied with	The Chairman of the Supervisory Board is independent and does not perform operating activities for ATP or participate in the day-to-day management, nor does any of the Supervisory Board members participate in the day-to-day management.		
<b>3. Composition and organisation of the board of directors</b>				
<b>3.1. Composition</b>				
3.1.1. The Committee <b>recommends</b> that the board of directors annually evaluate and in the management commentary, account for <ul style="list-style-type: none"> <li>• the competencies that it must have to best perform its tasks,</li> <li>• the composition of the board of directors, and</li> <li>• the special competencies of each member.</li> </ul>	Complied with	The composition of the Supervisory Board is prescribed by the Danish ATP Act. In the annual report, the Supervisory Board accounts for the composition of the Supervisory Board, its skills, including the special skills and other directorships of each member.  The Supervisory Board discusses its overall skills in		Annual report

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		<p>connection with the annual self-assessment, at which time the Supervisory Board also assesses the need for updating the skills of individual board members.</p> <p>The Supervisory Board has elected a number of members with expertise and operational experience from both national and international financial companies as well as within accounting, audit, actuarial, IT and pension aspects.</p>		
<p>3.1.2. The Committee <b>recommends</b> that the board of directors annually discuss the company's activities to ensure relevant diversity at management levels and prepare and adopt a policy on diversity. The policy should be published on the company's website.</p>	<p>Complied with/ Explained</p>	<p>In ATP's Diversity Policy, the Supervisory Board has, among other things, determined both target figures and policy for the underrepresented gender in ATP's senior management and for other management levels in order to comply with the requirement for a balanced composition of men and women. The Supervisory Board annually discusses what activities to launch to ensure diversity.</p>		<p>Website</p>
<p>3.1.3. The Committee <b>recommends</b> that the selection and nomination of candidates for the board of directors be carried out through a careful and transparent process approved by the board of directors. When assessing its composition and nominating new candidates, the board of directors should in addition to the need for competencies and qualifications take into consideration the need for integration of new talent and diversity.</p>	<p>n/a</p>	<p>The rules on nomination and appointment of members of the Supervisory Board, including the independent chairman, are prescribed by the Danish ATP Act. Similarly, the Danish ATP Act requires that a balanced composition of men and women on the Supervisory Board be ensured.</p> <p>ATP is subject to a number of strict management rules similar to those applying to financial institutions, including that members of the Supervisory Board must obtain 'fit and proper' approval from the Danish Financial Supervisory Authority (FSA).</p>		
<p>3.1.4. The Committee <b>recommends</b> that the notice convening a general meeting where the agenda includes the</p>	<p>n/a</p>	<p>The requirements for the members of the Supervisory Board are prescribed by the Danish ATP Act. It is a precondition that the members obtain 'fit and proper'</p>		

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<p>election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of the nominated candidates, including information about the candidates'</p> <ul style="list-style-type: none"> <li>other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and</li> <li>demanding organisational tasks.</li> </ul> <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>		<p>approval from the Danish Financial Supervisory Authority (FSA).</p> <p>Other directorships held by members of the Supervisory Board are set out in the annual report.</p>		
<p>3.1.5. The Committee <b>recommends</b> that members of the company's executive board be not members of the board of directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.</p>	Complied with	<p>The requirements for the members of the Supervisory Board are laid down in the Danish ATP Act and in the rules of procedure of ATP's Supervisory Board.</p>		
<p>3.1.6. The Committee <b>recommends</b> that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.</p>	n/a	<p>The three-year term for the members of the Supervisory Board is prescribed by the Danish ATP Act. One third of the members of the Supervisory Board are appointed once a year to ensure continuity on the Supervisory Board.</p>		
<b>3.2. Independence of the board of directors</b>				
<p>3.2.1. The Committee <b>recommends</b> that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> <li>be or within the past five years have been a member of the executive board or senior staff member in the company, a subsidiary or an associated company,</li> </ul>	n/a	<p>The rules on nomination and appointment of members of the Supervisory Board and on the composition of the Supervisory Board are prescribed by the Danish ATP Act.</p> <p>The ATP Supervisory Board is composed of members from employer and employee organisations, with equal representation, as well as an independent chairman.</p>		Annual report

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<ul style="list-style-type: none"> <li>• within the last five years, have received significant remuneration from the company/group, a subsidiary or an associated company in a different capacity than as member of the board of directors,</li> <li>• represent or be associated with a controlling shareholder,</li> <li>• within the past year, have had significant business relations (e.g. personally or indirectly as partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company,</li> <li>• be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting,</li> <li>• be part of the executive management in a company with cross-management representation in the company,</li> <li>• have been a member of the board of directors for more than 12 years, or</li> <li>• be a close relative of persons who are not considered independent.</li> </ul> <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>				
<b>3.3. Members of the board of directors and the number of other management functions</b>				
<p>3.3.1. The Committee <b>recommends</b> that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she can complete at a satisfactory level for the company.</p>	Complied with	Supervisory Board members are appointed by the Minister for Employment upon the recommendation of the organisations specified in the Danish ATP Act. The organisations make this assessment when nominating members for appointment. Other directorships held by members of the Supervisory Board are set out in the annual report.		

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<p>3.3.2. The Committee <b>recommends</b> that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> <li>• the position of the relevant person,</li> <li>• the age and gender of the person in question,</li> <li>• the person's competencies and qualifications that are relevant to the company,</li> <li>• whether the member is considered independent,</li> <li>• the member's date of appointment to the board of directors,</li> <li>• expiry of the current election term,</li> <li>• the member's participation in the meetings of the board of directors and committee meetings,</li> <li>• other management functions, including memberships in executive boards, boards of directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organisational tasks, and</li> <li>• the number of shares, options, warrants and similar owned by the member in the company, and other group companies, as well as changes to the member's portfolio of the mentioned securities which have occurred during the financial year.</li> </ul>	<p>Complied with/ Explained</p> <p>n/a</p>	<p>The individual member's position, function, age and gender, date of appointment to the Supervisory Board/expiry of the election period, other directorships etc. are specified in the annual report. Similarly, the participation of individual members in board and committee meetings is set out in the annual report.</p> <p>Information about independence and ownership of shares, options, warrants etc. is not relevant, as ATP is an independent institution.</p>		<p>Annual report</p>
<p>3.3.3. The Committee <b>recommends</b> that the annual evaluation procedure, cf. section 3.5, include an evaluation of what is regarded as a reasonable level for the number of other management functions, where the number, level and complexity of the other individual management functions are taken into account.</p>	<p>Complied with</p>	<p>As part of the annual evaluation procedure, the members consider their own efforts and efficiency in relation to relevant legislation, ATP's activities and the rules on corporate governance.</p>		



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<b>3.4. Board committees</b>				
<p>3.4.1. The Committee <b>recommends</b> that the company publish the following on the company's website:</p> <ul style="list-style-type: none"> <li>the terms of reference of the board committees,</li> <li>the most important activities of the committees during the year and the number of meetings held by each committee, and</li> <li>the names of the members of each committee, including the chairmen of the committees, as well as information regarding which members are independent members and which members have special competencies.</li> </ul>	Complied with	<p>The Executive Committee's and the Audit Committee's composition, chairmen, objectives, activities, including tasks undertaken by the Executive Committee in its role as Remuneration Committee, and the number of meetings held are described in the annual report. The same applies to the ORSA Committee under the Audit Committee. Terms of reference/the rules of procedure of the Executive Committee are published on the website. As from 2019, the ORSA Committee is an independent Supervisory Board committee named the Risk Committee.</p> <p>The Supervisory Board has assessed that the members of the committees have the necessary skills and qualifications. The members' special qualifications appear from the annual report.</p>		<p>Annual report Website Rules of Procedure of the Executive Committee Terms of Reference of the Audit Committee Terms of Reference of the Risk Committee</p>
<p>3.4.2. The Committee <b>recommends</b> that a majority of the members of a board committee be independent.</p>	Complied with	<p>The Supervisory Board has assessed that the independence of the overall committee is adequate.</p>		
<p>3.4.3. The Committee <b>recommends</b> that the members of the board of directors set up among its members an <u>audit committee</u> and that a chairman is appointed who is not the chairman of the board of directors.</p>	<p>Explained</p> <p>Complied with</p>	<p>ATP's Audit Committee was set up in 2009.</p> <p>The composition of the Audit Committee reflects the composition of the ATP Supervisory Board. The Chairman of the Audit Committee is currently the Chairman of the Supervisory Board. However, the Supervisory Board has decided, as from 2019, to enlarge the Audit Committee by one member who in future will perform the duty as Chairman of the Audit Committee and who is not also the Chairman of the Supervisory Board.</p>		<p>Terms of Reference of the Audit Committee</p>
<p>3.4.4. The Committee <b>recommends</b> that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the board of</p>	Complied with	<p>Complied with and set out in the Terms of Reference of the Audit Committee.</p>		<p>Terms of Reference of the Audit Committee</p>

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<p>directors about:</p> <ul style="list-style-type: none"> <li>• significant accounting policies,</li> <li>• significant accounting estimates,</li> <li>• related party transactions, and</li> <li>• uncertainties and risks, including in relation to the outlook for the current year.</li> </ul>				
<p>3.4.5. The Committee <b>recommends</b> that the audit committee:</p> <ul style="list-style-type: none"> <li>• annually assesses the need for an internal audit function and, in such a case, presents mandates and recommendations on selecting, appointing and removing the head of any internal audit function and on the budget of the internal audit function,</li> <li>• ensure that if an internal audit has been established, a description of its functions is approved by the board of directors,</li> <li>• ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and</li> <li>• monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>	Complied with	<p>The Supervisory Board has set up an internal audit function, and the internal audit is subject to an annual internal review in connection with the meeting with the external auditor, including that internal audit has adequate resources.</p> <p>The Audit Committee and the Supervisory Board monitor the Executive Board's follow-up on the conclusions and recommendations of the internal auditor.</p>		

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<p>3.4.6. The Committee <b>recommends</b> that the board of directors establish a <u>nomination committee</u>, which is at least responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describing the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies,</li> <li>• annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors,</li> <li>• annually assessing the competencies, knowledge, experience and succession of the individual members of management, and report to the board of directors in this respect,</li> <li>• recommending candidates for the board of directors and the executive board, and</li> <li>• proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.</li> </ul>	<p>Explained</p> <p>Complied with</p>	<p>The rules on nomination and appointment of members of the Supervisory Board and on the composition of the Supervisory Board are prescribed by the Danish ATP Act.</p> <p>In connection with the Supervisory Board's self-assessment, an assessment is made of qualifications, knowledge and experience, and Group Management is also assessed.</p> <p>Furthermore, the Executive Committee annually discusses the composition, development, risks and succession plans of Group Management, and the Executive Committee recommends pay adjustments to the Supervisory Board.</p>		

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<p>3.4.7. The Committee <b>recommends</b> that the board of directors establish a <u>remuneration committee</u>, which is at least responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>recommending the remuneration policy (including the “General Guidelines for Incentive-based Remuneration”) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,</li> <li>making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company’s remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total remuneration that members of the board of directors and the executive board receive from other companies in the group,</li> <li>recommending a remuneration policy applicable for the company in general and</li> <li>assisting with the preparation of the annual remuneration report.</li> </ul>	Complied with	<p>The Supervisory Board has appointed a Remuneration Committee whose tasks are handled by the Executive Committee, as ATP is subject to a number of strict remuneration rules similar to those applying to financial institutions; see ATP’s Executive Order on Pay (<i>Aflønningsbekendtgørelsen</i>).</p> <p>The Supervisory Board recommends the Pay Policy for approval by the Board of Representatives, including rules on variable pay.</p> <p>The Remuneration Committee ensures and checks compliance with the Pay Policy and participates in the recommendation of remuneration for members of the Board of Representatives, the Supervisory Board and any Supervisory Board committees, remuneration for the CEO, the Chief Actuary and the Chief Auditor as well as for other members of ATP’s Group Management.</p>		<p>Website Annual report ATP’s Pay Policy Rules of Procedure of the Executive Committee</p>
<p>3.4.8. The Committee <b>recommends</b> that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	Explained	<p>The Supervisory Board has established a remuneration committee, which performs the duties following from section 17 of the Executive Order on Pay Policy and Remuneration in the Labour Market Supplementary Pension Fund (ATP’s Executive Order on Pay) (<i>Bekendtgørelse om lønpolitik og aflønning i Arbejdsmarkedets Tillægspension</i>). In connection with the performance of a few duties, the Committee is assisted by an external adviser. The external adviser in question also performs other tasks for the Executive Board, but not of the same nature as those performed by the Remuneration Committee.</p>		<p>Website Annual report ATP’s Pay Policy Rules of Procedure of the Executive Committee</p>
<p><b>3.5. Evaluation of the performance of the board of directors and the executive board</b></p>				
<p>3.5.1. The Committee <b>recommends</b> that the board of</p>	Complied	Self-assessment has been established as a task for the		Annual report

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<p>directors establishes an evaluation procedure for an annual evaluation of the board of directors and the individual members. External assistance should be obtained at least every third year. The evaluation should inter alia include:</p> <ul style="list-style-type: none"> <li>• contribution and results,</li> <li>• cooperation with the executive board,</li> <li>• the chairman’s leadership of the board of directors,</li> <li>• the composition of the board of directors (including competencies, diversity and the number of members),</li> <li>• the work in the committees and the committee structure, and</li> <li>• the organisation and quality of the material that is submitted to the board of directors.</li> </ul> <p>The evaluation procedure and the general conclusions should be described in the management commentary and on the company’s website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions, on the general meeting prior to the election of the board of directors.</p>	with	<p>Supervisory Board in its Rules of Procedure.</p> <p>The Supervisory Board performs an annual self-assessment, including of whether the Supervisory Board possesses the knowledge and experience required, and an assessment of the contributions and results of the entire Supervisory Board and the individual members as well as of their cooperation with the CEO. The general conclusions from the self-assessment are stated in the management commentary.</p>		
<p>3.5.2. The Committee <b>recommends</b> that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre-defined clear criteria. Furthermore, the board of directors should evaluate the need for changes to the structure and composition of the executive board, in light of the company’s strategy.</p>	Complied with	<p>The Supervisory Board annually assesses the composition, development, risks and succession plans of Group Management. Moreover, an assessment of the work and performance of the Executive Board is included in the annual self-assessment, and the Executive Committee annually discusses the succession plan for the Executive Committee.</p>		
<p>3.5.3. The Committee <b>recommends</b> that the executive board and the board of directors establish a procedure</p>	Complied with	<p>The cooperation is evaluated in connection with the self-assessment and the annual assessment of whether the</p>		

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<p>according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer, and that the outcome of the evaluation be presented to the board of directors.</p>		<p>CEO performs his tasks in a satisfactory manner, as well as in an ongoing dialogue between the Chairman of the Supervisory Board and the CEO.</p>		
<p><b>4. Remuneration of management</b></p>				
<p><i>4.1. Form and content of the remuneration policy</i></p>				
<p>4.1.1. The Committee <b>recommends</b> that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes</p> <ul style="list-style-type: none"> <li>• a detailed description of the components of the remuneration for members of the board of directors and the executive board,</li> <li>• the reasons for choosing the individual components of the remuneration,</li> <li>• a description of the criteria that form the basis for the balance between the individual components of the remuneration, and</li> <li>• an explanation for the correlation between the remuneration policy and the company's long-term value creation and relevant related goals.</li> </ul> <p>The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and published on the company's website.</p>	<p>Complied with</p>	<p>ATP is subject to a number of strict remuneration rules similar to those applying to financial institutions; see ATP's Executive Order on Pay, which imposes the same requirements as the recommendations.</p> <p>The Supervisory Board has adopted a pay policy in accordance with ATP's Executive Order on Pay, which is revised annually, approved by ATP's Board of Representatives and published at atp.dk.</p>		<p>Website ATP's Pay Policy</p>
<p>4.1.2. The Committee <b>recommends</b> that if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> <li>• limits be set on the variable components of the total remuneration package,</li> <li>• a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term,</li> </ul>	<p>Complied with</p>	<p>ATP is subject to a number of strict remuneration rules similar to those applying to financial institutions; see ATP's Executive Order on Pay, which imposes the same requirements as the recommendations.</p> <p>The Supervisory Board, the CEO and members of the Group Management do not receive variable pay</p>		<p>Website ATP's Pay Policy Report on remuneration in ATP</p>

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<ul style="list-style-type: none"> <li>• clarity be established about performance criteria and measurability for the award of variable components,</li> <li>• it is ensured that variable remuneration not only consists of short-term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years, and</li> <li>• it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information which subsequently is found to be incorrect.</li> </ul>		components.		
4.1.3. The Committee <b>recommends</b> that remuneration of members of the board of directors does not include share options or warrants.	Complied with			
4.1.4. The Committee <b>recommends</b> that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.	Complied with			ATP's Pay Policy
4.1.5. The Committee <b>recommends</b> that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years of remuneration, including all components of the remuneration.	Complied with			ATP's Pay Policy
<b>4.2. Disclosure of remuneration</b>				
4.2.1. The Committee <b>recommends</b> that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.	Complied with	The Board of Representatives receives an annual report from the Chairman on the remuneration of the Board of Representatives and the Supervisory Board, which is also submitted to the Minister for Employment.		ATP's Pay Policy

Recommendation	Complied with or explained	Documentation /reference	Traffic lights	Publication
4.2.2. The Committee <b>recommends</b> that shareholders at the general meeting consider proposals for approval of remuneration for the board of directors for the current financial year.	Complied with	ATP is subject to a number of strict remuneration rules similar to those applying to financial institutions; see ATP's Executive Order on Pay.  The Board of Representatives approves the Supervisory Board's remuneration.		
4.2.3. The Committee <b>recommends</b> that the company prepare a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained.  The remuneration report should be published on the company's website.	Complied with	Information is disclosed in the annual report on the total remuneration for each individual member of the Board of Representatives and Supervisory Board, for the CEO and for members of the Group Management.		Annual report Website ATP's Pay Policy Report on remuneration in ATP
<b>5. Financial reporting, risk management and audits</b>				
<i>5.1. Identification of risks and transparency about other relevant information</i>				
5.1.1. The Committee <b>recommends</b> that the board of directors consider and in the management commentary account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.	Complied with			Annual report Solvency and Financial Condition Report (SFCR)
<i>5.2. Whistleblower scheme</i>				
5.2.1. The Committee <b>recommends</b> that the board of directors establish a whistleblower scheme for expedient	Complied with	The Supervisory Board has established a whistleblower scheme for employees in the ATP Group in accordance		



Recommendation	Complied with or explained	Documentation /reference	Traffic lights	Publication
and confidential notification of serious wrongdoing or suspicions thereof.		with the requirements of the Danish ATP Act.		
<b>5.3. Contact to auditor</b>				
5.3.1. The Committee <b>recommends</b> that the board of directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the board of directors, including that the board of directors and the audit committee meet with the auditor elected by the general meeting at least once annually without the executive board present. This also applies to the internal auditor, if any.	Complied with	Both external and internal auditors attend meetings with the Supervisory Board, and the Audit Committee also meets with both the external and internal auditors without the CEO being present.		
5.3.2. The Committee <b>recommends</b> that the audit agreement and auditors fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.	Complied with	The audit engagement letter (audit agreement) is subject to EU Public Procurement Regulations and, accordingly, to prohibition on negotiation.  The Board of Representatives approves the appointment of the auditor. Every six months, the Audit Committee and the Supervisory Board follow up on audit and non-audit services from the external auditor, including auditors' fees.		