

Form for statement regarding Recommendations on Corporate Governance

The Danish Labour Market Supplementary Pension Fund (ATP)

Although there is no statutory obligation for ATP to follow Recommendations on Corporate Governance, ATP's Supervisory Board has decided to follow them according to the comply-or-explain principle. Where ATP's particular circumstances deviate from the recommendations, this is commented on in the 'Why' column. The ATP Act includes regulation of a number of matters related to ATP's management and governance, which are also discussed in the Recommendations on Corporate Governance.

Form for status update – version from January 2022

Recommendations on Corporate Governance

Please note!

The statement concerns the following accounting period:

1. January 2023 – 31 December 2023

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
1. Interaction with the company's shareholders, investors and other stakeholders			
1.1. Dialogue with shareholders, investors and other stakeholders			
<p>1.1.1. The Committee recommends that the management uses ongoing dialogue to ensure that shareholders, investors and other stakeholders have relevant insights into the company's circumstances and that the Supervisory Board has the opportunity to know and involve their attitudes in its work.</p>	<p>In this context, the members, labour and management, ministries and other external stakeholders are equated with shareholders.</p> <p>ATP publishes extensive information on its website, on social media, in the Faktum newsletter and in reports about responsibility. In addition, there</p>		

¹If a recommendation is not followed, the company must always explain *why* the recommendation is not followed and *how* the company has structured itself differently. A sufficient explanation will answer both questions and categorise the response as complying with the recommendation. It is therefore important that the company answers both questions in its explanation.

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
	is ongoing dialogue with stakeholders.		
1.1.2. The Committee recommends that the company prepares policies for shareholders, investors and, if relevant, other stakeholders, to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.	Among other things, ATP has adopted a Policy for Communication and Public Relations that is published on its website.		
1.1.3. The Committee recommends that the company publishes quarterly reports.		As a long-term investor, ATP prefers to focus on the 'major' quarterly financial statements (after the first and second half of the year), as quarterly reporting may encourage a short-term mindset.	ATP publishes quarterly statements, but not actual quarterly reports, for Q1 and Q3 on its website in addition to the statutory annual and half-year reports.
1.2. Annual general meeting			
1.2.1. The Committee recommends that the Supervisory Board schedules the company's annual general meeting in such a manner that shareholders who cannot attend physically or be represented at the annual general meeting can vote and ask questions of the management prior to or during the annual general meeting. The Committee recommends that the Supervisory Board ensures that shareholders have the option of watching the annual general meeting via a webcast or another form of digital channel.	ATP is managed by a Board of Representatives, a Supervisory Board and a Chief Executive Officer (CEO). ATP's Board of Representatives meeting is regarded as the annual general meeting. The time of the Board of Representatives meeting is scheduled a year in advance and notified to the members as soon as possible thereafter.		

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
	<p>Members can submit powers of attorney that allow another member to vote on their behalf. The Board of Representatives' members can always ask questions of the Supervisory Board or Group Management, including at the Board of Representatives meeting.</p> <p>In 2023, the Board of Representatives meeting was held physically.</p>		
<p>1.2.2. The Committee recommends that shareholders can use powers of attorney or voting by email at the annual general meeting to make decisions on each individual item on the agenda.</p>	<p>Prior to both Supervisory Board meetings or Board of Representatives meetings, members will receive a draft for a power of attorney that allows them to decide on each individual item on the agenda if physical participation is not possible.</p>		
1.3. Takeover bids			
<p>1.3.1. The Committee recommends that the company has an emergency response procedure for takeover bids that contains a 'plan of action' for the matters that the Supervisory Board should consider and decide on if a takeover bid has been submitted, or if the Supervisory Board has reasonable cause to assume that a takeover bid will be submitted. In addition, it is recommended that it be stated in the procedure that the</p>		<p>Not relevant for ATP, as ATP is a self-governing institution created by law.</p>	

Recommendation	The company <u>follows</u>		The company <u>explains</u> ¹	
			<i>Why?</i>	<i>How?</i>
Supervisory Board refrains from addressing a takeover bid by making dispositions that attempt to preclude shareholders from deciding on the takeover bid without the approval of the annual general meeting.				
1.4. Relationship to the surrounding society				
1.4.1. The Committee recommends that the Supervisory Board approves a policy for the company’s responsibility, including social responsibility and sustainability matters, and that the policy is made available in the management’s review and/or on the company’s website. The Committee recommends that the Supervisory Board ensures that the policy is complied with.	The Supervisory Board has specified a Policy for Responsibility in Investments in the ATP Group, a Policy for Stewardship in the ATP Group, a Policy for Diversity and Inclusion and a Policy for Data Ethics, which are published on the website. The Supervisory Board receives annual reports regarding compliance with the policies.			
1.4.2. The Committee recommends that the Supervisory Board approves a tax policy, which is made available on the company’s website.	The Supervisory Board has specified a Policy for Tax in Investments in the ATP Group, which is published on the website.			
2. Tasks and responsibilities of the Supervisory Board				
2.1 Overall tasks and responsibilities				
2.1.1. The Committee recommends that the Supervisory Board, as part of promoting the purposes of the company as specified in its articles of association and for its long-term value creation, takes into account the company’s purpose and ensures that it promotes a good culture and	ATP was created to ensure basic financial security in Denmark. This is stated explicitly on the company’s website and is also			

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		<i>Why?</i>	<i>How?</i>
good values in the company. The company should explain about this in the management’s review and/or on the company’s website.	<p>included in the management’s review.</p> <p>The Supervisory Board addresses this topic on an ongoing basis, including in connection with discussing themes in recurring matters that the Supervisory Board works with over the course of the year. In addition, it is an integral part of the Group strategy.</p>		
2.1.2. The Committee recommends that the Supervisory Board discusses at least once a year, and continually follows up on, the company’s overall strategic objectives, in order to ensure value creation in the company.	<p>With due consideration to the business model as specified under the ATP Act, the Supervisory Board annually determines ATP’s overall objectives, strategy and strategic focus areas. The Supervisory Board follows up on this every six months.</p>		
2.1.3. The Committee recommends that the Supervisory Board ensures that the company has a capital and equity structure that supports a strategy and long-term value creation that is in the best interests of both the company and its shareholders. The Committee recommends that the company accounts for this in the management’s review.	<p>At least once per year, the Supervisory Board performs an assessment of own risk and solvency status based on a going concern assumption, both for the short and long term.</p> <p>The Supervisory Board has specified a bonus policy that describes</p>	<p>As ATP is not a listed company, there is no accounting for the equity structure in terms of shares.</p>	

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
	in greater detail the principles for an increase in pensions to ATP's members and the payment of bonuses to ATP's pensioners.		
2.1.4. The Committee recommends that the Supervisory Board prepares and annually reviews guidelines for the Executive Board, including requirements for reporting to the Supervisory Board.	ATP is subject to a number of enhanced management rules, similar to those that apply to financial companies, cf. the Executive Order for ATP's Management. The Supervisory Board reviews and audits guidelines for the CEO (Chief Executive Officer) on an annual basis. The Supervisory Board also annually considers the frequency and scope of the CEO's reporting to, and provision of information to, the Supervisory Board.		
2.2. Members of the Supervisory Board			
2.2.1. The Committee recommends that the Supervisory Board, in addition to a Chairman, should also have a Deputy Chairman who can fulfil the role if the Chairman is no longer serving, and otherwise act as a close sparring partner to the Chairman.		ATP's Supervisory Board does not have a deputy chairman. The composition of the Supervisory Board is determined in the ATP Act, including that the Supervisory Board is chaired by an independent Chairman. The ATP Act does not stipulate the	

Recommendation

The company follows

The company explains¹

Why?

How?

		appointment of a Deputy Chairman.	
<p>2.2.2. The Committee recommends that the Chairman should work with the individual members of the Supervisory Board to ensure that members continually update and supplement their knowledge about relevant matters, and that members’ particular knowledge and competencies are used to optimal effect.</p>	<p>The Supervisory Board completes an annual self-evaluation where the Board’s competencies and, if relevant, desires for updating are reviewed. The members’ particular knowledge and competencies are, among other things, used in the Supervisory Board committees that have been set up. In addition, there are also themed discussions about relevant and current matters over the course of the year. In 2023, there was also a presentation on sustainability.</p>		
<p>2.2.3. The Committee recommends that if the Supervisory Board should exceptionally ask a member to handle certain tasks for the company, such as for example briefly participating in the Executive Board, the Supervisory Board should approve this to ensure that the Board preserves its independent overall management and control function. It is recommended that the company publish the decision about a Board member’s participation in the Executive Board and the expected duration of that participation.</p>	<p>ATP’s Board members do not participate in the Executive Board.</p>		

3. The composition, organisation and evaluation of the Supervisory Board

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
<p>3.1. Composition</p> <p>3.1.1. The Committee recommends that the Supervisory Board annually reviews and states in the management’s review and/or on the company’s website</p> <ul style="list-style-type: none"> • which collective and individual competencies the Supervisory Board should have in order to best execute its tasks, and • the composition and diversity of the Supervisory Board. 	<p>The composition of the Supervisory Board is prescribed by the ATP Act, which also provides that the composition of men and women on the Board of Representatives and the Supervisory Board should be as balanced as possible. The Supervisory Board reports on its composition, competencies (including those of individual members), and other directorships in the annual report.</p> <p>The Supervisory Board discusses its overall competencies in connection with the annual self-assessment. The Supervisory Board has augmented itself by a number of members with expertise and operational experience from financial companies as well as accounting, investment and pension matters.</p>		

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		<i>Why?</i>	<i>How?</i>
<p>3.1.2. The Committee recommends that the Board annually discusses the company’s activities to ensure a relevant diversity in the company’s management tiers and approves a policy for diversity that is available in the management’s review and/or on the company website.</p>	<p>The ATP Act determines that the Board of Representatives and Supervisory Board should, as far as possible, have a balanced composition of men and women. Pursuant to the Danish Act on Gender Equality, efforts must also be made to ensure an equal gender composition in the top two management tiers under the Supervisory Board. Compliance with this is reported on annually to the Supervisory Board and the targets were met in 2023. The Supervisory Board has also specified a policy for diversity and inclusion that supports, among other things, an ambitious and strategic approach to diversity, equal opportunities and inclusion across management tiers. The policy is published on the website. The Supervisory Board processes the policy and compliance with it annually.</p>		
<p>3.1.3. The Committee recommends that the recruitment of candidates for the Supervisory Board should follow a thorough process approved by the Supervisory Board. The Committee recommends that when assessing candidates for the Supervisory Board, consideration should be given both</p>	<p>The regulations for nomination and selection of members of the Supervisory Board, including the independent Chairman, are</p>		

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to individual qualifications and competencies and to the need for continuity, renewal and diversity.	<p>prescribed in the ATP Act. The ATP Act also prescribes that a balanced composition of men and women on the Supervisory Board must be ensured. Approximately one third of the members of the Supervisory Board are appointed each year to ensure Supervisory Board continuity.</p> <p>ATP is subject to a range of enhanced governance regulations similar to those applying to financial undertakings, including that members of the Supervisory Board must be approved as 'fit and proper' by the Financial Supervisory Authority.</p>		
<p>3.1.4. The Committee recommends that, when invitations are sent to the annual general meeting at which Board members are up for election, in addition to the statutory requirements for information, the candidates'</p> <ul style="list-style-type: none"> • competencies should also be described, • plus other management roles in other commercial companies, including Board committees, • demanding organisational tasks and • independence. 		<p>The members of the Supervisory Board are appointed by the Danish Minister for Employment based on recommendations from the respective organisations.</p>	<p>The requirements for members of the Supervisory Board are prescribed by the ATP Act. It is a precondition that members are approved as 'fit and proper' by the Financial Supervisory Authority.</p> <p>The Supervisory Board's competences, other occupations and demanding</p>

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				organisational tasks are stated in the annual report.
3.1.5. The Committee recommends that the Board members elected at annual general meetings stand for election each year and that they are proposed and selected individually.			The three-year election period for the members of the Supervisory Board is prescribed by the Danish ATP Act.	Approximately one third of the members of the Supervisory Board are appointed each year to ensure Supervisory Board continuity.
3.2. Independence of the Supervisory Board				
<p>3.2.1. The Committee recommends that at least half of the members of the Supervisory Board elected by the general meeting be independent persons, in order for the Supervisory Board to be able to act independently of special interests.</p> <p>To be considered independent, a member may not:</p> <ul style="list-style-type: none"> • be, or within the past five years have been, a member of the Executive Board, or a senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the Supervisory Board, • represent or be closely associated with a shareholder with a controlling interest, • within the past year, have had a business relationship (either personally or indirectly as a partner or employee, shareholder, customer, supplier or Board member in companies with similar connections) with the company, a subsidiary or an associated company that is significant for the company and/or a business partner, 			The regulations for nomination and selection of members of the Supervisory Board and its composition are prescribed in the ATP Act.	ATP's Supervisory Board is also composed of members from employer and employee organisations and an independent Chairman.

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			<i>Why?</i>	<i>How?</i>
<ul style="list-style-type: none"> • be, or within the past 3 years have been, employed by or a partner in the same company as the auditor elected by the company’s annual general meeting; • have been CEO in a company having cross-memberships with the company, • have been member of the Supervisory Board for more than 12 years, or • be closely related to people who are not independent as defined by the criteria above. <p>Even if a Board member is not covered by the above-mentioned criteria, the Supervisory Board can decide for other reasons that the member is not independent.</p>				
<p>3.2.2. The Committee recommends that members of the Executive Board do not also serve on the Supervisory Board, and that an Executive Board member who is leaving does not directly join the Supervisory Board.</p>	<p>The requirements for members of the Supervisory Board are prescribed by the ATP Act and by the rules of procedure for ATP’s Supervisory Board. Members of the Group Management are not included on the Supervisory Board.</p>			
<p>3.3. Board members and the number of other management roles</p>				
<p>3.3.1. The Committee recommends that during the annual evaluation, the Supervisory Board and each individual Board member, cf. recommendation 3.5.1, assess how much time is needed for their Board work. This is to ensure that individual Board members do not take on more occupations than they can handle and which would prevent them from performing their Board work satisfactorily.</p>	<p>As part of the annual self-assessment, members assess their own efforts and resources in relation to ATP’s activities.</p>			

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
<p>3.3.2. The Committee recommends that the management’s review, besides the statutory requirements, also contains information on the individual Board members and their:</p> <ul style="list-style-type: none"> • role, age and gender, • competencies and qualifications of relevance to the company, • their independence, • the year they joined the Board, • the year in which their current term ends, • participation in Board and Committee meetings, • management roles in other commercial companies, including Board committees and demanding organisational tasks and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 	<p>The individual member’s function, age and gender, date of appointment, expiry of appointment period, competencies, and other executive functions, etc., are indicated in the annual report. The individual members’ participation in Supervisory Board and Committee meetings is also indicated in the annual report.</p>	<p>Information regarding independence and holdings of shares, options, warrants, etc. is not relevant as ATP is a self-governing institution.</p>	
3.4. Board committees			
<p>3.4.1. The Committee recommends that the management use the management’s review to describe:</p> <ul style="list-style-type: none"> • the Board committee’s most important activities and the number of meetings held during the year and • the members of the individual Board committees, including the Chairman of the Committee and the independence of its members. <p>It is also recommended that the board committee’s terms of reference be published on the company’s website.</p>	<p>The Executive Committee, the Audit Committee and the Risk Committee composition, chairmen, purpose, activities – including tasks performed by the Executive Committee as Remuneration Committee – and number of meetings are detailed in the annual report.</p>		

Recommendation	The company <u>follows</u>		The company <u>explains</u> ¹	
			<i>Why?</i>	<i>How?</i>
	Terms of reference/Rules of procedure for the Executive Committee are published on the website.			
3.4.2. The Committee recommends that Board Committees only consist of Board members, and that the majority of the Board committee members should be independent.	ATP's Board Committees only consist of Board members. The Supervisory Board has assessed that the independence of the overall Committee is adequate.			
<p>3.4.3. The Committee recommends that the Supervisory Board creates an Audit Committee and appoints a chairman of this Audit Committee who is not the Chairman of the Supervisory Board. The Committee recommends that the Audit Committee, besides performing its statutory tasks, assists the Supervisory Board by:</p> <ul style="list-style-type: none"> performing supervision to ensure the accuracy of published financial information, including accounting practices for the most significant areas, significant accounting estimates and transactions with closely related parties, reviewing internal control and risk areas in order to ensure that the most important risks are managed, including in relation to stated expectations, assessing of the need for an internal audit, performing an evaluation of the auditor selected by the annual general meeting, reviewing the remuneration provided to the auditor selected by the annual general meeting, monitoring the limits for non-audit services performed by the auditor selected by the annual general meeting, and 	<p>ATP's Audit Committee was created in 2009. The Chairman of the Supervisory Board is not Chairman of the Audit Committee.</p> <p>The Audit Committee follows the recommendations and the Committee's tasks are specified in the terms of reference for the Committee that are published on ATP's website.</p> <p>The Supervisory Board and Audit Committee meet with both external and internal auditors without the participation of Group Management.</p>			

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
<ul style="list-style-type: none"> ensuring that regular dialogue is maintained between the auditor selected by the annual general meeting and the Supervisory Board, e.g. by ensuring that the Supervisory Board and the Audit Committee meet at least once per year with the auditor without the presence of the Executive Board. <p>If the Supervisory Board, based on a recommendation from the Audit Committee, decides to set up an internal audit function, the Audit Committee is tasked with:</p> <ul style="list-style-type: none"> preparing the terms of reference and recommendations for the selection, hiring and dismissal of the head of the internal audit and the department's budget, ensuring that the internal audit has sufficient resources and competencies to carry out its role, and monitoring the executive Board's follow-up on the conclusions and recommendations of the internal audit function. 			
<p>3.4.4. The Committee recommends that the Supervisory Board establish a nomination committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> describing the required qualifications for a given post in the Supervisory Board and Executive Board, the estimated time that will be spent on the various roles in the Supervisory Board and the competencies, knowledge and experience that there are/should be in the two management bodies, annual evaluation of the structure, size, composition and results of the Supervisory Board and Executive Board and preparation of recommendations to the Supervisory Board regarding any potential changes, working with the chairman on carrying out the annual Board evaluation and assessment of the individual Board members' 	<p>The regulations for nomination and selection of members of the Supervisory Board and its composition are prescribed in the ATP Act.</p> <p>In connection with the Supervisory Board's self-evaluation, an assessment is made of qualifications, knowledge and experience. An evaluation of Group Management is also carried out. In addition, the Executive Committee and the Supervisory</p>		

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<p>competencies, knowledge, experience and succession and reporting the results to the Supervisory Board,</p> <ul style="list-style-type: none"> recruitment of new Supervisory Board and Executive Board members and presentation of the candidates for the Supervisory Board's approval, ensuring that there is a succession plan for the Executive Board, monitoring the Executive Board's policy for hiring key persons, and monitoring whether a diversity policy has been prepared for the Supervisory Board's approval. 	<p>Board annually discuss the composition, development, risks and succession plans of the Group Management, and the Supervisory Board discuss and approve succession plans for the Group Management.</p> <p>The Supervisory Board has specified a policy for diversity and inclusion, which is reviewed annually.</p>		
<p>3.4.5. The Committee recommends that the Supervisory Board establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> preparing drafts for the pay policy for the Supervisory Board's approval prior to presenting it for the annual general meeting's approval, making presentations to the Supervisory Board about remuneration for members of the Executive Board, making presentations to the Supervisory Board about remuneration for members of the Executive Board with a view to presenting them to the annual general meeting, ensuring that the management's remuneration is in line with the company's pay policy and the assessment of individual efforts, and assisting in preparing the annual remuneration report for the Supervisory Board's approval prior to presenting it to the annual general meeting for their input. 	<p>The Supervisory Board has created a Remuneration Committee whose tasks are performed by the Executive Committee, since ATP is subject to a number of enhanced remuneration regulations similar to those applying to financial undertakings, cf. ATP's remuneration regulation.</p> <p>The Remuneration Committee does the initial work on the pay policy prior to the Supervisory Board submitting the pay policy for approval by the Board of Representatives.</p> <p>The Remuneration Committee ensures and controls</p>		

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
	<p>compliance with the pay policy and participates in recommending fees for members of the Board of Representatives, the Supervisory Board and Supervisory Board committees, remuneration for the CEO, the Chief Actuary and the Chief Auditor and other members of ATP's Group Management.</p> <p>Finally, the Remuneration Committee assists with preparing the annual accounts of the remuneration of the Board of Representatives and the Supervisory Board to the Board of Representatives.</p>		
3.5. Evaluation of the Supervisory Board and Executive Board			
<p>3.5.1. The Committee recommends that an evaluation of the Supervisory Board be carried out once a year, and that external assistance with this evaluation be brought in at least every three years. The Committee recommends that the evaluation be focused on the recommendations about the Supervisory Board's work, efficiency, composition and organisation, cf. recommendation 3.1-3.4 above, and as a minimum, always cover the following topics:</p> <ul style="list-style-type: none"> the composition of the Board, focusing on competencies and diversity, the contributions and results of individual Board members, 	<p>Self-assessment has been established as an annual task for the Supervisory Board in its Rules of Procedure. External assistance for Supervisory Board self-assessment is used at least every three years. The Supervisory Board's self-evaluation was carried out internally in 2023.</p>		

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
<ul style="list-style-type: none"> the collaboration within the Supervisory Board and the collaboration between the Supervisory Board and the Executive Board, the chairman’s leadership of the Supervisory Board; the structure and work done by the committees, the scheduling of Board work and the quality of Board materials, and how well-prepared Board members are and how actively Board members contribute to meetings. 	<p>Among other things, the self-evaluation covers whether the Supervisory Board has the required knowledge and experience, the total Board’s and individual Board members’ contributions and results, the chairman’s management, the work in the committees, and how the Supervisory Board collaborates with the CEO and the rest of the Group Management.</p>		
<p>3.5.2. The Committee recommends that the whole Board discusses the results of the Board evaluation and ensures that the process for the evaluation and the overall conclusions of the evaluation are covered in the management’s review, on the company’s website and at the company’s annual general meeting.</p>	<p>The Supervisory Board carries out an annual Board evaluation and discusses its results. The general conclusions of the self-assessment are included in the management’s review.</p>	<p>As ATP’s Board of Representatives do not select Board members, the Board evaluation is not covered at ATP’s Board of Representatives meeting.</p>	
<p>3.5.3. The Committee recommends that at least once per year, the Supervisory Board evaluates the work of the Executive Board and its results based on predetermined criteria, and that the chairman reviews the results with the Executive Board. In addition, the Supervisory Board should continually assess the need for changes to the structure of the Executive Board and its composition, including considering diversity, succession plans and risks while taking into account the company’s strategy.</p>	<p>The Executive Committee and the Supervisory Board annually assess the Group Management as a management team and its composition, development, risks and succession plans. The Group Management’s work and results are also reviewed by the Supervisory Board in the annual self-evaluation.</p>		

Recommendation	The company <u>follows</u>		The company <u>explains</u> ¹	
			<i>Why?</i>	<i>How?</i>
4. Remuneration of management				
4.1. Remuneration of the Supervisory Board and Executive Board				
<p>4.1.1. The Committee recommends that the Supervisory Board and Executive Board’s remuneration and other terms of employment are competitive and in line with the company’s long-term shareholder interests.</p>	<p>ATP’s pay policy has been specified to take into account the desire to promote healthy and effective risk management, including ensuring a long-term commonality of interests between individual employees and ATP’s members and to support ATP’s ability to meet its obligations.</p> <p>Remuneration and fees, including for the Supervisory Board and Group Management, are determined based on market rates, both in Denmark and abroad. Furthermore, remuneration and fees are defined on the basis of ATP’s specific needs, including the need to guarantee ATP’s ongoing ability to attract and retain the best-qualified managers and employees.</p>			

Recommendation	The company <u>follows</u>		The company <u>explains</u> ¹	
			<i>Why?</i>	<i>How?</i>
<p>4.1.2. The Committee recommends that share-based incentive programmes should be revolving, i.e. periodically allocated, and should primarily be long term in nature with an accrual or maturity period of at least three years.</p>			ATP does not use share-based incentive programmes, as ATP is a self-governing institution.	
<p>4.1.3. The Committee recommends that the variable part of remuneration should have a ceiling at the time of it being allocated and that there should be transparency about the potential value at the time of its use in pessimistic, projected and optimistic scenarios.</p>	<p>ATP is subject to a number of enhanced remuneration regulations similar to financial undertakings, cf. ATP's remuneration regulations, which include similar requirements as for the recommendations.</p> <p>It is stated in ATP's pay policy that for significant risk takers, the variable part of the salary package cannot exceed 100 per cent of the base salary (50 per cent for the CEO), including pension contributions, per year. In other incentive programmes, a ceiling must be specified for the individual variable pay packages in individual years. The procedures for the measurement of bonuses earned are reflected in ATP's business processes.</p>			
<p>4.1.4. The Committee recommends that the total value of the remuneration for termination periods, including severance pay for a</p>	<p>It is stated in ATP's pay policy that the remuneration for the</p>			

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		<i>Why?</i>	<i>How?</i>
member of the Executive Board, does not exceed two years of remuneration including all parts of the remuneration package.	termination period and, if relevant, the severance pay for members of the Group Management cannot exceed 24 months of salary.		
4.1.5. The Committee recommends that remuneration of members of the Supervisory Board does not include share options and subscription options.		Remuneration via share options and subscription options are not relevant for ATP, as it is a self-governing institution.	
4.1.6. The Committee recommends that the company should be able to require a full or partial repayment of variable remuneration for both the Executive Board and Supervisory Board if the remuneration has been granted, accrued or paid out on the basis of information that subsequently turns out to be wrong, or if the recipient has acted in bad faith about other matters that resulted in the payment of variable remuneration being too high.	The Supervisory Board and Board of Representatives do not receive variable pay. Members of the Group Management can receive one-time remuneration payments. It may be asked that one-time remuneration payments be repaid if they were paid on the basis of information about results that can be documented to be incorrect, and if the recipient has acted in bad faith.		
5. Risk management			
5.1. Identification of risks and transparency about other relevant information			
5.1.1. The Committee recommends that the Supervisory Board, based on the company's strategy and business model, consider whether, for	The Supervisory Board receives an investment and risk report		

Recommendation	The company <u>follows</u>	The company <u>explains</u> ¹	
		<i>Why?</i>	<i>How?</i>
<p>example, the most significant strategic, business-related, accounting-related and liquidity-related risks are properly addressed. In the management’s review, the company should also account for these risks and for the company’s risk management.</p>	<p>each month, which is discussed at the Board meetings. The most important strategic and business risks are also discussed in the annual report under risk and financial condition, which is also part of the management’s review.</p>		
<p>5.1.2. The Committee recommends that the Supervisory Board establishes a whistleblower scheme that enables employees and other stakeholders to report serious incidents or suspicions about serious incidents in an appropriate and confidential manner, and that there is a procedure in place to handle such whistleblower reports.</p>	<p>The Supervisory Board has established a whistleblower scheme for current and former employees, Supervisory Board members and members of the Board of Representatives in addition to business partners in accordance with the requirements of the ATP Act. The procedure governing this is specified in the Whistleblower Policy for the ATP Group and underlying guidelines.</p>		