

Remuneration report

ATP follows the Corporate Governance Committee recommendation to prepare a remuneration report for management remuneration.

ATP's Supervisory Board and Board of Representatives have established a Pay Policy with rules governing remuneration and a number of associated disclosure obligations that resemble the rules applicable to the financial sector.

PURPOSE OF ATP'S PAY POLICY

The overall purpose of the Pay Policy is to support ATP's vision of securing basic financial security, simple administration and high returns.

The Pay Policy also serves to support ATP's business model and commercial objectives, including making it possible, by means of a suitable remuneration structure, to attract and retain the best possible competences on competitive terms of employment, so that ATP's ambitious, long-term performance targets can be achieved.

All members of ATP's Board of Representatives, Supervisory Board and Supervisory Board committee, the CEO and members of the Group Management as well as the Chief Actuary, the Chief Compliance Officer and the Chief Auditor receive fixed remuneration only. Members of the Group Management receive fixed remuneration, pension contribution of up to 18 per cent and a number of work-related employee benefits, including a company car.

Principal contents of severance schemes

Under their contracts, each member of the Group Management has 12 month's notice. The CEO (Chief Executive Officer) has 24 months' notice. At retirement after 12 and 17 years, 1 and 3 months' pay, respectively, is awarded.

In addition, severance pay equivalent to one year's remuneration is awarded to the CEO on retirement. This is the only, and thus also the highest, severance pay awarded to a single person.

Remuneration and performance-related pay at ATP

There are two overall principles which ensure that determination of the performance-related pay programmes and the payment of performance-related pay are safely executed:

- No individual is involved in making recommendations or design of performance-related pay schemes applicable to themselves.
- It is independently controlled that the programmes are managed in accordance with the determined frameworks.

ATP's Supervisory Board defines general frameworks for the performance-related pay schemes in ATP, including:

- Groups of employees who are included;
- Types of performance-related pay schemes;
- The expected value of the schemes at the time of allocation;
- The timeframe over which the various schemes are calculated;
- The maximum annual bonus for the various groups of employees.

The Supervisory Board has determined that ATP's CEO and Group Management, the Chief Actuary, Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, the manager of the unit in Pensions & Investments performing controls of compliance with risk-taking limits, and Portfolio Managers in Pensions & Investments are significant risk-takers.

The Supervisory Board has also determined that the ceiling for variable pay elements for performance-related schemes cannot exceed 100 per cent of the base salary including pension contribution per year. The specific execution of frameworks will be determined by the CEO (Chief Executive Officer) and the CIO (Chief Investment Officer).

The remuneration structure consists of a fixed salary and potentially a performance-related pay component (performance-related pay) the purpose of which is to support business development via a focus on target and results management. In Pensions & Investments, Portfolio Managers in ATP's investment department (Investments) may

be able to supplement their fixed salary with a performance-related bonus, and this extends also to invest-

ment specialists and employees of a range of ATP's subsidiaries.

Group Management remuneration in 2020

DKKm	2020	2019	2018	2017	2016
Group Management end of year 2020					
Bo Foged, CEO (Chief Executive Officer) ¹	7.6	6.9	4.6	4.1	3.9
Martin Præstegaard, Deputy CEO and Chief Financial Officer (CFO) ²	3.6	1.3	-	-	-
Mikkel Svenstrup, Chief Investment Officer (CIO) ³	3.3	-	-	-	-
Kim Kehlet Johansen, Executive Vice President, Pension, Risk Management & Compliance, Chief Risk Officer (CRO)	3.9	3.6	0.9	-	-
Carsten Bodal, Executive Vice President, Udbetaling Danmark	2.7	2.6	1.7	-	-
Anne Kristine Axelsson, Executive Vice President, Pension & Social Security	2.7	2.7	1.8	-	-
Annemette Moesgaard, Executive Vice President, Communication & External Relations	2.0	1.9	1.9	1.5	-
Departed Group Management end of year 2020					
Kasper Ahrndt Lorenzen, Chief Investment Officer ⁴	-	3.8	4.2	4.1	2.3
Christian Hyldahl, CEO (Chief Executive Officer) ⁵	-	(0.7)	13.9	6.8	-
Mads Smith Hansen, Executive Vice President, Chief Risk Officer ⁵	-	-	4.1	2.9	2.0
Lilian Mogensen, Executive Vice President, Processing Business ⁵	-	-	7.2	3.3	3.2
Dewi Dylander, Deputy Executive Director, Legal	-	-	0.7	1.4	-
Bård Grande, Chief HR Officer, ATP	-	-	0.8	0.3	-
Carsten Stendevad, CEO	-	-	-	-	6.9
Henrik Gade Jepsen, Chief Investment Officer (CIO)	-	-	-	-	3.3
Total Group Management ⁶	25.9	22.1	41.8	24.4	21.6

¹ CFO until 26 November 2018, Acting CEO (Chief Executive Officer) 26 November 2018 – 18 June 2019, CEO (Chief Executive Officer) 18 June 2019 – .

Remuneration to Bo Foged in 2020 includes 5 weeks' frozen holiday pay.

² Started 1 September 2019

³ Started 1 March 2020

⁴ Departed 31 August 2019

⁵ Remuneration for 2018 includes compensation for release from notice and/or severance pay. Remuneration for 2019 consists of refund of a sum of compensation for release from notice in connection with Christian Hyldahl taking up a new position in October 2019.

⁶ Group Management members received fixed remuneration, pension contributions, and a number of work-related employee benefits, including a company car. No Group Management receives any kind of variable pay or incentive scheme pay.

Group Management remuneration in 2020

Total Group Management remuneration for 2020 is DKKm 25.9, an increase of DKKm 3.8 relative to 2019. The increase can, i.a., be related to the fact that ATP's Deputy CEO joined in September 2019 and therefore is only represented with four months' remuneration in 2019.

Remuneration for Bo Foged, CEO (Chief Executive Officer), remains unchanged relative to 2019. The DKKm 0.7 increase is due to five weeks' frozen holiday pay.

The only Group Management change in 2020 is in the form of Mikkel Svenstrup's installation as CIO on 1 March 2020.

CEO/Worker pay ratio¹					
	2020²	2019	2018	2017	2016
ATP Group, including business processing, external parties:					
CEO/Worker pay ratio for all employees	11	11	13	12	12
ATP Group, excluding business processing, external parties:					
CEO/Worker pay ratio for ATP Livslang Pension (Lifelong Pension)	8	8	9	9	10

¹ Definition: CEO remuneration divided by average remuneration per employee
² CEO/Worker pay ratio for 2020 is calculated exclusive of the CEO's frozen holiday pay

CEO/Worker pay ratio

The purpose of the key figure CEO/Worker pay ratio is to show the pay ratio between CEO and employees and to show the development in pay for the CEO compared to the employees.

In ATP, the ratio for 2020 is 11, meaning that the remuneration of the CEO corresponds to 11 times the average pay of all employees in ATP, not including Group Management. This

includes employees carrying out administrative tasks for external parties.

When considering ATP Livslang Pension (Lifelong Pension) and the associated employees in isolation, and in order for the ratio to be comparable to other pension funds, the ratio is 8, meaning that the remuneration of the CEO corresponds to 8 times the average pay of employees.

Significant risk takers

DKKm	2020	2019	2018	2017	2016
Fixed remuneration	86.1	75.4	76.8	68.9	62.4
Variable remuneration	7.6	8.1	6.0	11.7	14.1
Variable remuneration, adjustment prior year	0.2	0.4	(0.6)	0.1	0.2
Total remuneration	93.9	83.9	82.2	80.7	76.7
Number of recipients of fixed salary	47	41	46	46	39
Number of recipients of variable salary	22	20	23	21	21

Significant risk takers

Variable pay consists of variable pay during the financial year and provisional bonus by the end of the financial year. Final bonus determination is not performed until Q1 of the following

financial year. The difference between provisional bonus and final bonus is recognised under “Variable remuneration, adjustment prior year”.

Remuneration for ATP's Supervisory Board and Board of Representatives

DKKm	2020	2019	2018	2017	2016
Total remuneration for the ATP Supervisory Board	2.1	2.1	2.0	2.1	2.0
Total remuneration for ATP's Board of Representatives	0.2	0.2	0.2	0.2	0.2
Total remuneration for ATP's Executive Committee	0.3	0.3	0.2	0.2	0.2
Total remuneration for the ATP Audit Committee	0.2	0.3	0.2	0.2	0.2
Total remuneration for to the ATP Risk Committee	0.2	0.3	0.2	0.2	0.2
Annual remuneration in DKK '000 for:					
Chairman of the Supervisory Board (total remuneration)	785	768	715	715	715
Member of the Executive Committee	88	86	80	80	80
Member of the Supervisory Board (including remuneration for the Board of Representatives)	132	129	120	120	120
Member of the Board of Representatives	14	14	13	13	13
Chairman of the Audit Committee	86	84	60	60	60
Member of the Audit Committee	66	64	60	60	60
Member of the Risk Committee	66	64	60	60	60

Remuneration for the ATP Supervisory Board

DKK '000	Supervi- sory Board	Executive Committee	Audit Committee	Risk Committee	Total 2020	2019	2018	2017	2016
Chairman of the Supervisory Board:									
Torben M. Andersen	565	88	66	66	785	768	643	-	-
Jørgen Søndergaard	-	-	-	-	-	-	74	715	715
Employer representatives:									
Jacob Holbraad	132	88	78	-	298	279	260	260	260
Lars Sandahl Sørensen	132	-	-	-	132	47	-	-	-
Peter Rahbæk Juel	132	-	-	-	132	96	-	-	-
Anne Broeng	132	-	-	66	198	193	180	180	180
Brian Mikkelsen	99	-	-	-	99	-	-	-	-
Vibeke Krag	33	-	-	-	33	-	-	-	-
Torben Dalby Larsen	33	-	-	-	33	129	120	120	120
Kim Graugaard	-	-	-	-	-	80	120	120	120
Anne Jæger	55	-	36	28	118	268	180	180	180
Martin Damm	-	-	-	-	-	32	90	-	-
Bent Hansen	-	-	-	-	-	-	30	120	120
Employee representatives:									
Lizette Risgaard	132	88	66	-	285	279	260	260	260
Arne Grevsen	132	-	-	-	132	129	120	120	120
Bente Sorgenfrey	132	-	-	-	132	129	120	120	120
Kim Simonsen	132	-	-	-	132	129	120	120	120
Lars Qvistgaard	132	-	-	-	132	129	120	120	108
Jan Walther Andersen	132	-	-	66	198	193	180	180	180
Total	2,102	263	246	225	2,837	2,876	2,617	2,615	2,603