

**FORM FOR REPORTING ON STEWARDSHIP CODE
ATP**

This form is meant as a tool for Danish institutional investors with investments in shares in companies that are publicly listed in Denmark who address and consider the Stewardship Code.

The Committee recommends that investors prepare an annual Stewardship Report on the Stewardship Code according to the “comply or explain” principle. In the report, the investor should address each principle according to the “comply or explain” principle. The Committee recommends that the investor collects the data in a “Stewardship Report” to be published either in the management’s review in the annual report or on the investor’s website.

The recommendation text of this form does not replace the recommendations; reference is made to the Stewardship Code with regard to preface, introduction and comments. The Committee’s comments on the recommendations may be included as guidelines and inspiration for companies in their work on the recommendations. In this connection the comments are meant as a tool. The reporting on stewardship itself should only be carried out in compliance with the specific recommendations of the Committee, and not according to the comments or guidelines.

Notice: The form below contains the Stewardship Code of 29 November 2016. The recommendations are available on www.corporategovernance.dk.

This form may be used for the preparation of the report on stewardship in annual reports concerning financial years commencing 1 January 2017 or later.

"FØLG ELLER FORKLAR"-PRINCIPPET

The Stewardship Code is based on voluntariness and the "comply or explain" principle. Accordingly, it is not a legal requirement that investors must address the Stewardship Code, and it is up to the individual investor to determine the extent to which the principles are complied with. The Committee recommends that all Danish institutional investors with investments in shares in companies that are publicly listed in Denmark address and consider the Stewardship Code.

The Committee finds that self-regulation is the best form of regulation when it comes to corporate governance, including stewardship. This is also the predominant position internationally. However, it requires that society, companies and investors have a positive attitude towards stewardship and that they engage in stewardship activities. To establish the necessary level of transparency, it is important that investors consider each principle of the Code. If an investor deviates from a principle, the investor must explain why it has chosen to do so and the approach chosen instead.

The Committee recommends that investors prepare an annual Stewardship Report on the Stewardship Code according to the "comply or explain" principle. In the report, the investor should address each principle according to the "comply or explain" principle. The Committee recommends that the investor collects the data in a "Stewardship Report" to be published either in the management's review in the annual report or on the investor's website.

Such an annual Stewardship Report may contribute to enhance the visibility of the individual investor's stewardship activities and increase transparency, which the Committee considers appropriate. The Stewardship Report should provide an overview of the investor's approach to the Stewardship Code.

The Committee considers it important that the Stewardship Code is a suitable tool for investors to exercise stewardship activities and that it enhances transparency. The Committee's comments to the principles may be used as a guideline and source of inspiration in the investors' work with the principles. The comments should be seen as a tool for institutional investors in this context. The reporting regarding the Stewardship Code should only be carried out with regard to the principles – not in relation to the supplementary comments.

THE REPORT CONCERNS THE FINANCIAL YEAR
1 JANUARY 2017 TO 31 DECEMBER 2017

RECOMMENDATION	COM-PLIES	COM-PLIES PAR-TIALLY	DOES NOT COMPLY	EXPLANATION FOR COMPLY-ING PARTIALLY/NOT COMPLY-ING WITH THE RECOMMENDA-TION
1. ENGAGEMENT POLICY IT IS RECOMMENDED that institutional investors should publicly disclose an engagement policy with respect to investments in shares in companies that are publicly listed in Denmark.	Complies			ATP's Supervisory Board's Policy of Active Ownership (covering both Danish and foreign shares).
2. MONITORING AND DIALOGUE IT IS RECOMMENDED that institutional investors monitor and engage in a dialogue with the companies in which they invest, taking due account of the investment strategy and the principle of proportionality.	Complies			Basically, ATP has two ways of engaging in dialogue with companies. Through continuous dialogue which involves an ongoing dialogue with companies as well as ATP exercising its voting rights at general meetings.

			<p>Through dialogue at general meetings where ATP exercises its voting rights at general meetings. The choice of method depends on a number of factors, for example related to ATP's ownership interest and the possibility of effectively engaging in an active dialogue. This is, for example, reflected in ATP's stewardship activities in Denmark, where ATP typically has a higher exposure, and therefore takes a more active approach, than on other markets.</p> <p>The dialogue with companies may, for instance, concern strategy, results, risk, capital structure, corporate governance, supervisory board composition, corporate culture, remuneration of management and social responsibility.</p> <p>When ATP engages in dialogue at general meetings, ATP has now initiated thematic engagements. A thematic engagement is a risk-based, thematic dialogue with relevant companies. Moreover, ATP is hoping to minimise its financial risks and promote the companies' long-term value creation by influencing them to focus on improving their processes within social responsibility when ATP sees this as a risk or an opportunity.</p>

<p>3. ESCALATION</p> <p>IT IS RECOMMENDED that institutional investors as part of the engagement policy determine how they may escalate their stewardship activities beyond regular monitoring and dialogue.</p>	Complies			<p>ATP can use a wide range of tools for escalating its stewardship activities where this is regarded as necessary. These tools include stating ATP's views at the companies' general meetings and in other public contexts, collaborating with other investors, engaging in dialogue with representatives from the various company management levels, voting against a specific proposal from the board of directors, partially or fully divesting ATP's shareholding in the company etc. Both the choice of tool and the order in which the various tools are used will depend on a specific assessment in the individual situation.</p>
<p>4. COLLABORATION WITH OTHER INVESTORS</p> <p>IT IS RECOMMENDED that institutional investors as part of the engagement policy should describe how they will act collectively with other investors in order to achieve greater effect and impact.</p>	Complies			<p>ATP often exchanges views with other investors on the companies in which ATP invests. Where ATP finds that it is necessary to have greater clout in order to make ATP's stewardship felt on a specific point, ATP will seek collaboration with other investors.</p>
<p>5. VOTING POLICY</p> <p>IT IS RECOMMENDED that institutional investors as part of their engagement policy adopt a voting policy and are willing to publicly disclose whether and how they have voted.</p>	Complies			<p>ATP's Supervisory Board's Policy on Active Ownership contains 16 principles relating to the Supervisory Board, value creation, remuneration of the Executive Board and the Supervisory</p>

				<p>Board as well as information. ATP exercises its voting rights based on these principles.</p> <p>ATP votes at all general meetings in the companies in which ATP holds listed equities (both in Denmark and abroad) and submits information via a website on all votes cast in 2017.</p>
<p>6. CONFLICTS OF INTEREST</p> <p>IT IS RECOMMENDED that the engagement policy contains a description of how conflicts of interest in relation to stewardship are identified and managed.</p>	Complies			<p>ATP’s Supervisory Board consists of representatives of the social partners, who are thereby indirectly linked to both the management and the employees in the listed Danish companies in which ATP invests.</p> <p>ATP’s Supervisory Board has therefore decided in its Policy of Active Ownership that the final responsibility for ATP’s stewardship rests with ATP’s CEO.</p>
<p>7. REPORTING</p> <p>IT IS RECOMMENDED that institutional investors at least annually report on their stewardship activities, including voting activity.</p>	Complies			<p>In connection with the publication of its Annual Report 2017, ATP discloses information about all votes cast within the past year. The information is published via a website where users can search for companies on their own. Stakeholders can search for individual companies or periods and thus gain an insight into how ATP has managed its votes. In its annual responsibility report, ATP also reports on its other stewardship activities.</p>