

=

The financial reporting process

ATP is an independent institution, established by statute. ATP manages the pension scheme ATP Lifelong Pension.

The Danish ATP Act contains provisions on financial reporting and auditing. In addition, the Danish Financial Supervisory Authority has issued an executive order on financial reporting by ATP. ATP prepares its financial statements in accordance with the FRS Accounting Standards.

The external auditor is appointed by the Board of Representatives, after the audit assignment has been the subject of an EU tender, and the Supervisory Board approves an annual audit plan.

The Audit Committee has been appointed to assist the Supervisory Board in fulfilling its oversight responsibilities for the financial reporting process, with particular focus on ensuring reliability, integrity and transparency in financial reports.

The Audit Committee ensures that ATP's financial reporting process, internal control system, internal audit and risk management systems are effective. The statutory auditing of annual reports and the auditor's independence are also checked, in particular with respect to ATP's purchase of non-audit services from the external auditor. Another Audit Committee duty is the submission of proposals for election of auditors. Finally, the Audit Committee may perform duties subject to specific decisions made by the ATP Supervisory Board.

ATP's Audit Committee reviews and discusses ATP's annual report with focusing on significant circumstances relating to the financial reporting process and accounting practice. The Audit Committee is also provided with accounts of analyses performed by management, describing significant aspects of ATP's financial reporting and estimates made in the preparation of the annual report and interim reports, with particular focus on investment conditions, pension provisions, budgets and cost allocation.

ATP's risk management in connection with financial reporting is based on the internal control system and includes clearly defined organisational areas of responsibility, requirements for business processes, approval procedures and reporting requirements in connection with the financial reporting process.

The most significant elements in ATP's financial reporting are the calculation of pension provisions and the calculation of financial assets and financial liabilities. These items and their calculation are considered to be the key elements in the financial reporting process. Other major focus areas in the financial reporting process are compliance with accounting legislation, calculation of items subject to estimates, unusual transactions and completeness of information.