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ATP's view on global investments

Public hearing about tax

January 11 2018

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Agenda

- Why and how does ATP invest globally?
- ATP's tax policy for unlisted investments
- Tax transparency - ATP's tax footprint 2017

Why and how does ATP invest globally?

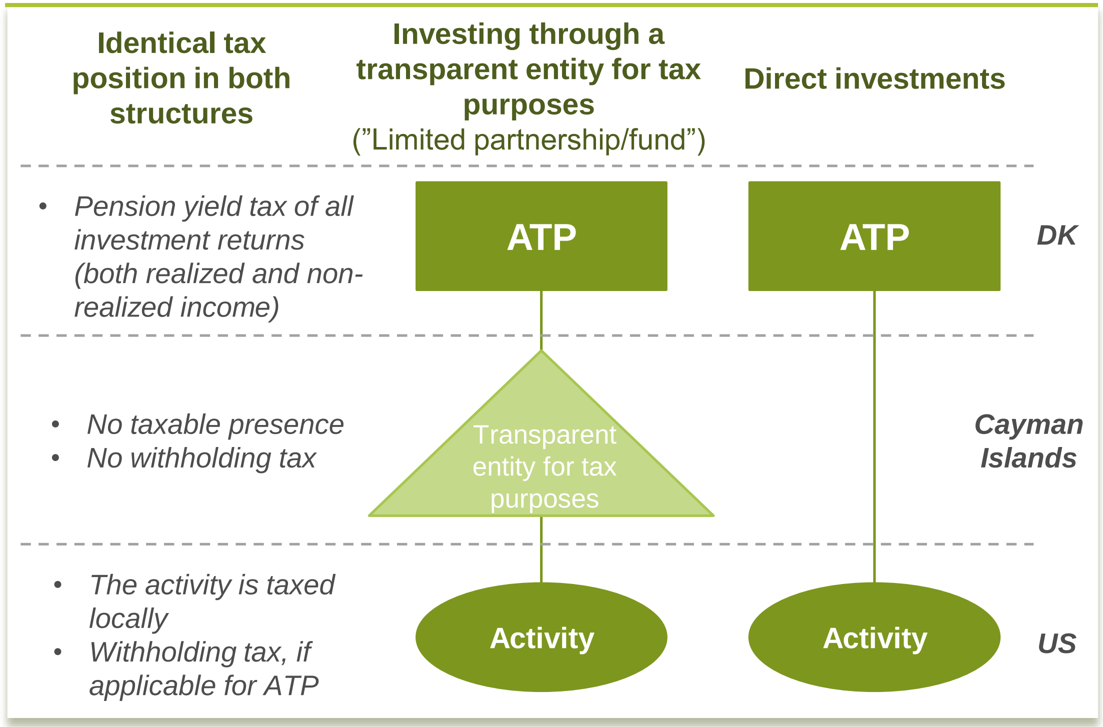
Why does ATP invest globally?

- Historically low interest rates and the hunt for investment return
- Access to global investments leads to better risk diversification

Why are jurisdictions like Cayman Islands used?

- Attractive investment opportunities
- Ease of doing business - specialized infrastructure by applying (UK) common law and expert knowledge in capital markets and well-proven case law
- Cayman Islands has committed to OECD's Common Reporting Standards (CRS), which facilitates exchange of information on investment income for investors between countries, including Denmark
- A reliable and consistent tax treatment of limited partnerships from an international perspective

ATP's tax position – how do we operate?



ATP does not achieve a better tax position (save taxes) by investing through a foreign limited partnership/fund

ATP’s tax policy for unlisted investments

A few highlights from ATP’s tax policy

- ATP complies with current tax law and practice in Denmark and in the countries where ATP invests
- ATP's focus is to ensure, that the largest part of its returns is brought home for taxation in Denmark
- ATP takes an active approach to handle potential tax risks through active tax due diligence:
  - I. Identifying tax risks when entering new investments
  - II. Monitoring changes in tax rules and tax practice

ATP’s blacklist

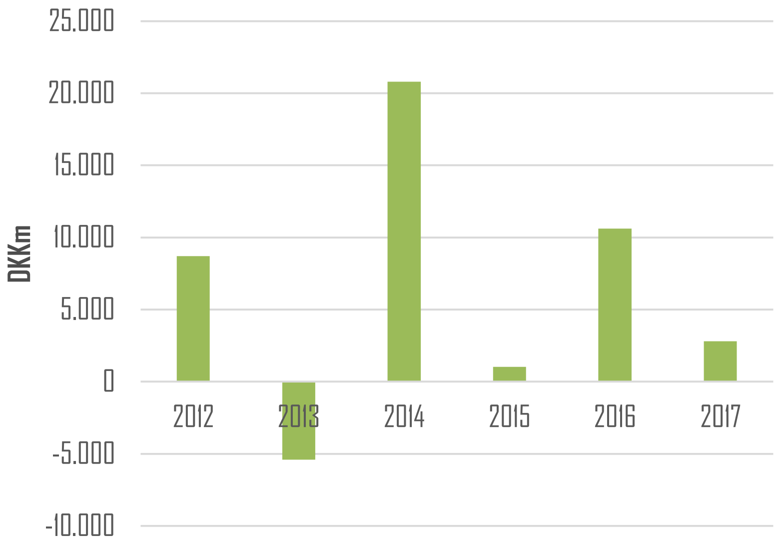
- ATP only invests in jurisdictions that have adopted the Common Reporting Standards (CRS)/FATCA
- ATP does not invest in jurisdictions that are on the EU blacklist (EU list of non-cooperative tax jurisdictions)
- ATP does not use financial instruments for tax planning purposes and does not engage in dividend arbitrage

In ATP's opinion, an aggressive tax behavior does not contribute to long-term value maximization of an investment

- **ATP’s expectations to partners and companies in which ATP invests**
  - I. Not to engage in tax evasion
  - II. Taxes should be paid where the economic value is generated
  - III. Structures applied should not conflict with OECD’s guidelines (BEPS)
  - IV. ATP informs its business partners of ATP’s tax policy and expects them to comply with it – is also included in the contractual basis as an appendix
  - V. ATP makes efforts to perform random checks to verify if its business partners comply with ATP’s tax policy
  - VI. Active dialogue the relevant business partner in case of non-compliance in order to agree on a solution and ensure future compliance

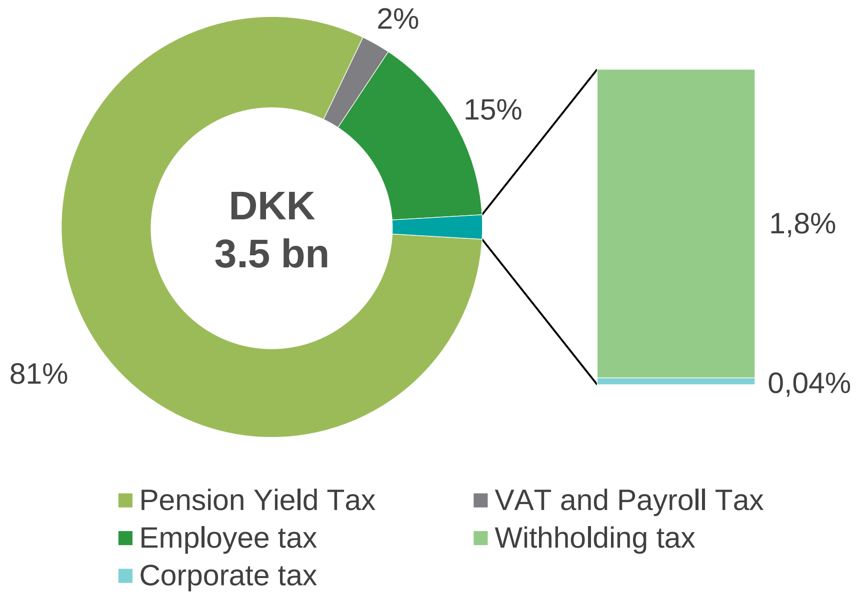
Tax transparency - ATP's tax footprint 2017

Danish pension yield tax and corporate tax 2012-



In the last six years ATP has paid more than **DKK 38 billions** in Danish pension yield tax and corporate tax

ATP tax footprint 2017



The tax footprint for 2017 does not include VAT and taxes paid locally by foreign entities invested in by ATP. The overview only includes withholding taxes withheld by the foreign entities when paying out dividends or interest to ATP.

The withholding tax included covers the withholding tax paid in 2016 as the numbers for 2017 are not yet finalized.