



TAX POLICY FOR THE PFA GROUP

1. Introduction

This policy describes the PFA Group's (PFA) principles and practices related to taxes in accordance with the Recommendations on Corporate Governance.

PFA manages a large part of the Danish pension capital and is dedicated to creating long-term solutions that are sustainable from a financial, social as well as an environmental perspective.

PFA wishes to contribute to society and runs its operations based on fair and reliable principles.

The tax policy covers all tax areas where PFA as company, employer and investor has activities. It covers corporation tax, pension yield tax, VAT, payroll tax, employee tax, tax on investments made in Denmark and abroad as well as any other taxes that PFA settles in Denmark and abroad. The policy describes principles for compliance with tax legislation, dialogue with and advisory services for customers concerning tax matters, and what PFA expects of its business partners and others in relation to tax matters.

2. Principles for compliance with tax legislation

PFA plans its tax payments in a way that ensures compliance with all relevant tax rules and practices in a cost-efficient manner without any unnecessary administration and that ensures that PFA pays all statutory taxes. PFA cooperates with the Danish authorities and has entered into a so-called Tax Governance agreement with SKAT (the Danish tax authorities). The agreement is voluntary, and its purpose is to ensure a correct ongoing reporting and payment of taxes.

PFA's tax steering committee¹ coordinates the complete overview of all tax-related activities and affairs within the Group, and its purpose is to ensure that new legislation and any change of practice within the tax area are implemented in due time in an efficient manner and that already existing legislation is complied with. The committee reports to PFA's Executive Management.

PFA withholds tax, reports to the authorities and implements new rules with regard to responsible corporate practice, responsible interpretation and application of the rules and confidentiality in relation to customer data.

1. PFA's tax steering committee consists of: Vice President, Insurance; Vice President, Actuarial Department; Vice President, IT; Vice President, Legal Department; Vice President, Customer & Pension Services; Vice President, Product Management; Vice President, Sales - Advisory Services; Vice President, Finance (Chairman).

3. Taxes – an integral part of the dialogue with our customers

The customer dialogue takes place on a professional basis, which means that PFA brings its tax expertise into play and translates it into value for the individual customer. The aim is to introduce the customer to information and facts about their individual situation to help them make an informed decision.

PFA enters into dialogue with its customers wherever the customers meet PFA – during personal pension consultations, through letters, at My PFA, at pfa.dk and at the websites of the other companies in the PFA Group.

4. The principles behind our services and customer advisory services

PFA does not wish to partake in any illegal activities and disassociates itself from fraud and evasion, including involvement in money laundering. This applies to PFA's own activities as well as when taxation forms part of advice to PFA's customers.

When PFA establishes a new pension plan or enters into a new investment agreement, the customers are advised based on the rules in force and common practice. PFA informs of the general tax rules that apply to the various products and, beyond that, refers the customers to get advice on their individual tax affairs from relevant taxation experts.

5. Expectations of business partners etc.

PFA expects its business partners to pay all taxes and live up to the tax legislation in force and common practice.

PFA expects the companies in which it invests to comply with the tax legislation in the countries in which the companies operate. If PFA becomes aware that any of the companies in which it invests are violating tax legislation, PFA's Responsible Investment Board (RI Board) will assess the matter. The RI Board will determine how to handle the matter and will enter into engagement dialogue with the company in question.

6. Transparency and reporting

PFA's tax policy is publicly available at pfa.dk. The same applies to the recommendations that form the basis of our customer advisory services.

PFA reports on the progress of its work with various elements of the tax policy in connection with the annual CSR report.

7. Effective date

The policy takes effect on approval by the Board of Directors.

Approved by the Board of Directors of PFA Holding at the board meeting on 26 August 2015, and subsequently adopted by the boards of the other companies in the PFA Group.