
Part 1

Task of LD Pensions

1. LD Pensions shall be established with the task of managing and paying out the funds originating from payments to Arbejdsmarkedets Tillægspension pursuant to Act no. 230 of 2 June 1977 on temporary payments from the state to Arbejdsmarkedets Tillægspension of certain cost-of-living portions (the "dyrtidsindbetalingsloven" (payment of cost-of-living portions act)). At the entry into force of this Act, said funds shall be separated from the funds of Arbejdsmarkedets Tillægspension.

Part 2

Payment

2.-(1) A wage earner, for whom amounts have been paid pursuant to the "lov om midlertidig indbetaling fra staten til Arbejdsmarkedets Tillægspension af visse dyrtidsportioner" (payment of cost-of-living portions act), may request payment of the amount with an addition of what has been credited said wage earner’s account pursuant to section 6g,

1) when the wage earner has reached 60 years of age,
2) on being granted anticipatory pension under the Act on Social Pensions,
3) on transferring to receiving current personal pension in accordance with regulations for civil servants in the state, the Folkeskole (the Danish Primary and Lower Secondary School) and the Evangelical Lutheran Church of Denmark and for municipal civil servants, as well as the regulations for employees in positions linked to pension schemes which essentially give rights similar to those in the "lov om tjenestemandspension" (public service pensions act),
4) on transferring to receiving a retirement or disability pension, lump sum disability benefit or other benefits on the basis of a permanent loss of ability to work of 50 per cent or more from an approved pension scheme, established in accordance with an agreement between a wage earner and his employer or stipulated under a collective agreement, regulation etc.,
5) on being granted compensation for loss of ability to work of 50 per cent or more in accordance with the Workers' Compensation Act, the "erstatningsansvarsloven" (tort liability act) or other acts similar hereto, or
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6) on being granted foreign pensions or compensation for loss of ability to work of 50 per cent or more, which correspond to those mentioned in nos. 2-5,
7) on moving to a foreign country in order to take up permanent residence,
8) on moving to Greenland or the Faeroe Islands in order to take up permanent residence and after having been resident there for 5 years.

(2) On the death of the wage earner the amount and additions shall be paid to the estate.

3.- (1) No later than the 70th birthday of the wage earner, said amount shall be paid with additions at the initiative of LD Pensions. Amounts that it has not been possible to pay before the wage earner’s 75th birthday shall revert to LD Pensions, cf. however subsection (2).

(2) The wage earner may decide to postpone payment under subsection (1) for periods of five years at a time. LD Pensions shall seek to pay out the amount at the end of the five-year period, unless the wage earner decides in advance to postpone payment again. Amounts that it has not been possible to pay shall revert to LD Pensions 10 years after the wage earner most recently decided to postpone payment.

Part 3

Management

4.- (1) LD Pensions shall be managed by a board of directors and one chief executive officer. The board of directors shall comprise 21 members, of which, at any time, 15 shall be employee representatives in the committee of representatives for Arbejdsmarkedets Tillægspension and 6 shall be appointed by the Minister for Finance for a term of 3 years. One of the members appointed by the Minister for Finance shall be appointed on the recommendation of Members of the Public Accounts Committee.

(2) The board of directors shall elect a chairperson from amongst its members.

(3) The Minister for Employment shall lay down the articles of association of LD Pensions, including more detailed regulations on payments in accordance with this Act.

4a.- (1) A member of the board of directors and the chief executive officer of LD Pensions shall have adequate experience in carrying out the duties and responsibilities of such a position.

(2) A member of the board of directors and the chief executive officer may not occupy the position as member of the board of directors or chief executive officer respectively of LD Pensions, if

1) the person in question is held criminally liable for violation of the Criminal Code, the LD Pensions Act or financial legislation, and this violation entails a risk that the duties are not carried out adequately,
2) the person in question has filed for suspension of payments, is administered in bankruptcy, has filed for debt restructuring, or negotiations have been initiated with regard to compulsory composition for said person,
3) the financial situation of the person in question or companies owned by the person in question or companies where the person in question participates in their operation have caused losses or risks of losses for LD Pensions, or
4) the person in question has behaved such that there is reason to assume that said person cannot perform the duties and responsibilities of such position adequately.

(3) Members of the board of directors and the chief executive officer shall be obliged to notify the Danish FSA of the conditions mentioned in subsection (2).

4b. The board of directors of LD Pensions shall prepare written guidelines on the most significant areas of activity of LD Pensions, specifying the distribution of responsibilities between the board of directors and the chief executive officer.

4c. LD Pensions shall have

1) good administrative and accounting practices,
2) written procedures for all significant areas of activity,
3) full internal control procedures, and
4) adequate IT control and security measures.

5.-(1) The board of directors of LD Pensions shall carry out its responsibilities under this Act with any necessary assistance from the administration departments of Arbejdsmarkedets Tillægsension after due agreement between the board of directors of LD Pensions and the board of directors of Arbejdsmarkedets Tillægsension, including agreement on payment of administration costs to Arbejdsmarkedets Tillægsension.

(2) The board of directors of LD Pensions may, to the extent necessary, enter into agreements on administrative tasks, IT projects and asset management tasks with other suppliers.

5a.- (1) Persons employed by the board of directors of LD Pensions in accordance with legislation or the articles of association and employees for whom there is a significant risk of conflicts between own interests and the interests of LD Pensions may not, at their own expense, or through companies they control,

1) take a loan or draw on credit already granted in order to purchase securities if the securities purchased are used as collateral for the loan or the credit,
2) acquire, issue, or trade in derivative financial instruments, except to hedge risk,
3) acquire holdings, except for units in investment associations, special-purpose associations and foreign investment undertakings covered by the Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc. Act with a view to selling such units less than six months from the date of acquisition, or
4) acquire positions in foreign currency, except for euro (EUR), if taking the position takes place with a view to anything other than payment for the purchase of securities, goods, services, purchase or management of real property, or for use when travelling.

(2) The group of persons mentioned in subsection (1) may not acquire holdings in companies that carry out business mentioned in subsection (1) nos. 1-4. This shall not apply, however, for purchases of shares in banks, insurance companies, mortgage-credit institutions, investment companies, as well as shares in investment associations, special-purpose associations and foreign investment undertakings covered by the Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc. Act.

(3) The board of directors shall decide which employees have a significant risk of conflicts between their own interests and the interests of LD Pensions, and who shall therefore be
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covered by the prohibition. The board of directors shall ensure that the relevant employee knows of this decision. The penalty provision in section 14a shall apply from the time the relevant employee has received information regarding the decision.

(4) For persons falling within the scope of subsection (1), the board of directors shall prepare guidelines on verifying compliance with the prohibition in subsection (1) and (2), 1st clause, including reporting investments.

(5) The external auditors shall, once a year, review the internal guidelines of LD Pensions relating to the guidelines under subsection (4) and in the audit book comments relating to the annual report shall state whether the company's internal guidelines are adequate and have functioned appropriately, as well as whether the control procedures of LD Pensions have given rise to observations.

(6) An account-holding institution shall, at the request of the board of directors LD Pensions, provide the external auditors of LD Pensions with access to information on accounts and deposits and permission to submit printed statements herefrom for the persons covered by subsection (1).

(7) The prohibition in subsection (1), no. 2 shall not cover financial instruments derived from shares in an undertaking in the same group as LD Pensions, received as part of the relevant person's salary.

(8) The prohibition in subsection (1), no. 1 shall not cover loans to buy employee shares and the instruments mentioned in subsection (7).

(9) Chief internal auditors and deputy chief internal auditors may, irrespective of subsections (1)-(8), not have financial interests in undertakings that are in the same group as LD Pensions.

5b.-(1) LD Pensions may not enter into exposures with members of the board of directors, the chief executive officer, employees of LD Pensions, external auditors, or the chief internal auditors and deputy chief internal auditors.

(2) Without the approval of the board of directors, which shall be entered in the minute book of the board of directors, LD Pensions may not establish a business exposure with, and accept collateralisation from, companies in which the persons mentioned in subsection (1) are members of the board of directors or board of management.

(3) The exposures specified in subsection (2) shall be granted in accordance with the usual business terms of LD Pensions and on terms based on market conditions. The external auditors of LD Pensions shall make a statement in the audit book relating to the annual report whether the requirements set out in the first clause have been met.

(4) The chief executive officer and the board of directors shall in particular monitor the appropriateness and progress of the business exposures mentioned in subsection (2).

(5) The regulations in subsections (2), (3), 1st clause and (4) shall also apply to exposures with companies in which persons linked to the chief executive officer by marriage, kinship or relationship by marriage in the direct line of ascent or descent or siblings are members of the board of management.
5c.-(1) Persons employed by the board of directors of LD Pensions in accordance with
legislation or the articles of association, may not, without the consent of the board of directors,
own or operate an independent enterprise, or in the capacity as a member of the board of
directors, an employee, or in any other way, participate in the management or operation of
another enterprise than LD Pensions, cf. however section 9(8) and (9).

(2) Other employees of LD Pensions for whom there is a significant risk of conflicts between
the interests of the employee and those of LD Pensions may not, without the consent of the
chief executive officer, own or operate an independent enterprise, or in the capacity as a
member of the board of directors, employee, or in any other way, participate in the
management or operation of an enterprise other than LD Pensions. The board of directors shall
be informed of any authorisation granted by the chief executive officer.

(3) The board of directors shall decide for which employees there is a significant risk of
conflicts between the interests of the employee and those of LD Pensions, and who shall
consequently obtain the authorisation of the chief executive officer, cf. subsection (2). The
board of directors shall ensure that the relevant employee knows of this decision. The penalty
provision in section 14a shall apply from the time the relevant employee has received
information regarding the decision.

(4) The activities mentioned in subsections (1) and (2) shall only be carried on where LD
Pensions or undertakings which form part of a group with LD Pensions do not have and do not
enter into exposures with the enterprises specified in subsections (1) and (2) or undertakings
which form part of a group with said undertakings. This shall not apply to exposures in the
form of holdings and exposures in enterprises that form part of a group with LD Pensions, or
enterprises, where LD Pensions, Arbejdsmarkedets Tillægspension, the Labour Market
Occupational Diseases Fund or financial undertakings jointly or financial undertakings in
association with funds and associations established under sections 208, 215, 218 and 219(1)
of the Financial Business Act own more than 4/5 of the holdings.

(5) All authorisations granted by the board of directors in pursuance of subsection (1) shall
appear in the minute book of the board of directors.

(6) LD Pensions shall at least annually publish information on the duties and positions
approved by the board of directors under subsection (1). Furthermore, the external auditors
shall make a declaration in the audit book comments on the annual report stating whether LD
Pensions has exposures with enterprises covered by subsections (1) and (2).

(7) In special cases, the Danish FSA may grant exemptions from subsection (4).

5d. The regulations on group representation specified in the Public Companies Act shall not
apply to employees in undertakings through which LD Pensions carries out other activities on a
temporary basis.

Part 4

Management of the funds

6.- (1) The board of directors of LD Pensions shall manage the funds covered by this Act so
that they provide the greatest possible benefits for beneficiary wage earners. When placing
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funds every endeavour shall thus be made to ensure appropriate security, maintenance of the real value of funds, as well as the greatest possible yield.

(2) The board of directors shall lay down more detailed provisions on the exchange-rate and interest-rate risk exposures of LD Pensions.

6a. In pursuance of the provisions in this part of this Act, assets shall be calculated in accordance with the following regulations:

1) Assets shall be calculated and adjusted regularly in accordance with the principles that apply to submission of annual reports by LD Pensions.
2) Any assets subject to a charge shall be deducted, and loans may only be included at a value net of obligations that may be due to the borrower.
3) Financial contracts shall be included in the value of assets at the value of such contracts.
4) Accrued interest receivable on securities covered by section 6b(1), nos. 1-4, 6, 8 and 10-13 shall be included in the value of the securities.

6b.- (1) The funds shall be placed in the following categories of assets:

1) Bonds or instruments of debt issued or guaranteed by central governments or regional authorities within Zone A.
2) Listed bonds issued by international organisations with a membership of no less than one Member State of the European Union.
3) Mortgage-credit bonds and other bonds issued in a country within the European Union or in a country with which the Community has entered into an agreement for the financial area, and which offers corresponding security.
4) Amounts receivable from credit institutions and insurance companies under public supervision in countries within Zone A; although not amounts receivable that are subordinated other creditors, as well as other amounts receivable that are guaranteed by credit institutions or insurance companies under public supervision in countries within Zone A.
5) Land, residential property, offices and commercial property, as well as other property, the value of which is independent of any specific commercial use.
6) Loans secured by registered, mortgaged property covered by no. 5 for an amount of up to 80 per cent of the most recent property valuation for residential property and up to 60 per cent for other property.
7) Units and certificates in a branch of investment undertakings approved under Council Directive 85/611/EEC (the UCITS Directive), and units in a branch of placement associations, money-market associations, funds of funds and restricted associations, cf. section 1(1), nos. 1-3 of the Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc. Act.
8) Other bonds and loans listed on a stock exchange in countries within Zone A.
9) Holdings listed on a stock exchange in countries within Zone A.
10) Property not covered by no. 5, as well as loans secured by registered, mortgaged property not covered by no. 6.
11) Holdings and other securities listed on a stock exchange in countries outside Zone A.
12) Unlisted holdings, including holdings traded on an authorised market place, cf. section 40(1) of the Securities Trading, etc. Act, or another regulated market that is publicly recognised, open regularly, and open to the public, as well as other loans and securities not covered by nos. 1-11.
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(2) The funds may be placed in subsidiary undertakings fully or partially owned by LD Pensions, and the object of which is to carry out financial business covered by the Financial Business Act, except banking, mortgage-credit and insurance business.

(3) If LD Pensions owns a subsidiary undertaking whose activities are limited to carrying out and making and managing investments covered by subsection (1), the assets of the subsidiary undertaking within the value of holdings in and any loans to said subsidiary undertaking may be treated as assets under subsection (1). If the subsidiary undertaking is not fully owned, its assets shall be included at a proportionate value corresponding to the proportion of the own funds owned.

6c.- (1) Placement of funds by LD Pensions in a single undertaking may not lead to LD Pensions alone or together with subsidiary undertakings being able to exercise controlling influence over said undertaking, unless otherwise provided by subsection (2) or (3).

(2) Subsection (1) shall not apply to placement of funds in subsidiary undertakings under section 6b(2) and (3).

(3) LD Pensions may, temporarily, carry out other activities to secure or phase out exposures already entered into, or with regard to restructuring enterprises. LD Pensions shall inform the Danish FSA hereof.

6d.- (1) The following limits shall apply to placement of the assets of LD Pensions:

1) Assets covered by section 6b(1), nos. 7-12 or section 6b(2) may comprise a total of no more than 70 per cent.
2) Assets covered by section 6b(1), no. 12 may comprise a total of no more than 20 per cent, cf. however subsection (2).
3) Assets covered by section 6b(1), no. 11 may comprise a total of no more than 10 per cent.
4) Loans covered by section 6b(1), no. 12 may comprise a total of no more than 2 per cent.
5) Assets covered by section 6b(1), nos. 4, 6-9, 11 and 12, issued or guaranteed by banks, mortgage-credit institutions, insurance companies, branches of investment undertakings which have been approved under Council Directive 85/611/EEC (the UCITS Directive), as well as placement associations, money-market associations, funds of funds and restricted associations, which for each undertaking and branch of an association comprise more than 5 per cent of the assets of LD Pensions, may total no more than 40 per cent.

(2) Other loans and securities covered by section 6b(1), no. 12, which are not traded on an authorised market place or on another regulated market that is publicly recognised, open regularly, and open to the public, may comprise no more than 10 per cent of the assets of LD Pensions.

6e.- (1) The following limits concerning the assets of LD Pensions shall apply for including assets comprising a risk for an individual undertaking or a group of mutually connected undertakings:

1) Assets covered by section 6b(1), no. 3 may comprise no more than 40 per cent.
2) Assets covered by section 6b(1), no. 4 may comprise no more than 10 per cent.
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3) Assets covered by section 6b(1), no. 7 may comprise no more than 10 per cent, cf. however subsection (2).
4) Assets covered by section 6b(1), nos. 5 and 10 may comprise no more than 5 per cent, cf. however subsection (3).
5) Assets covered by section 6b(1), nos. 6, 8, 9, 11 and 12 may comprise no more than 3 per cent, cf. however subsection (4).
6) Loans covered by section 6b(1), no. 12 may comprise no more than 1 per cent.

(2) If a branch of an investment undertaking approved in pursuance of Council Directive 85/611/EEC (the UCITS Directive), cf. section 6b(1), no. 7, under its articles of association may only invest in assets covered by section 6b(1), nos. 1-3, the investment may also be classified under section 6b(1), nos. 1-3.

(3) For holdings in and loans to an undertaking whose activities exclusively comprise investments in assets covered by section 6b(1), nos. 5 and 10, the limit mentioned in subsection (1), no. 4, shall apply to the exposure with the undertaking.

(4) The limit in subsection (1), no. 5 shall be two per cent if the undertaking is not domiciled or listed in a country within Zone A or if the own funds of the company do not exceed DKK 250 million.

(5) Subsection (1), no. 5 and subsection (3) shall not apply to investments in a subsidiary undertaking covered by section 6b(2) and (3), or to investments in undertakings whose activity according to their articles of association is limited to investing in assets covered by section 6b(1), nos. 1-3. In the latter case, in relation to the provisions of subsection (1), nos. 4-6 and (2) as well as section 6d(1), nos. 1, 2 and 4, the investment may be classified under section 6b(1), nos. 1-3.

6f.- (1) The board of directors may establish investment pools and invite wage earners to place the deposits of their accounts in said investment pools.

(2) Sections 6(2), 6d and 6e shall not apply to the investment pools mentioned in subsection (1).

6g.- (1) The profit or loss of LD Pensions shall, for each pool option, be added no less than once a year to the individual wage earners' accounts in proportion to their share of the total assets. This shall not apply, however, to the part of the profit or loss of LD Pensions arising from investment pools, cf. section 6f.

(2) The profit or loss of the investment pools shall be added once a year to the individual wage earners' accounts in proportion to their share of the total assets of the respective investment pools.

(3) With regard to payments made during an accounting year interest shall accrue from the most recent pool option to the date of payment with the result for the period.

6h. The Danish FSA may grant exemptions from sections 6b and 6e(1), nos. 2-6 and (2)-(5) for a limited period.

7. The Danish FSA shall lay down more detailed regulations for
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1) limitation of securities covered by more than one of the groups of assets mentioned in section 6b(1), and
2) investment pools covered by section 6f(1).

Part 4a
Transfer to another pension institute

7a.- (1) The individual account holder may choose to transfer the entire amount deposited to another pension institute, including to his SP account in a pension institute, cf. the Act on Arbejdsmarkedets Tillægspension. LD Pensions may refuse transfer of the amounts deposited if there is insufficient coverage for the costs of such transfer.

(2) At the request of the account holder via the receiving pension institute, LD Pensions shall transfer the entire amount deposited no later than three months after the week in which the request was received. Amounts transferred may not be transferred back to LD Pensions at a later time.

(3) The Minister for Employment shall lay down more detailed regulations regarding settlement of accounts, transfers of deposits in accounts, etc. in connection with a transfer to another pension institute. The Minister for Employment may, upon request by LD Pensions, decide to extend the time limit for transfer of the amount deposited, cf. subsection (2).

(4) The Minister for Employment shall lay down more detailed regulations on requirements for the receiving pension institutes, including on information, technical requirements and consultancy in connection with transfers.

7b. To the extent that the costs of the transfer exceed the costs of payment, the additional cost shall be paid by the individual account holder. The Minister for Employment shall, on recommendation by LD Pensions, determine the size of fees, etc. in connection with transfers of accounts.

Part 5
Annual report and audit

8.- (1) For each accounting year, the board of directors and the chief executive officer shall prepare an annual report which, as a minimum shall comprise a management endorsement, a balance sheet, an income statement, notes - including a statement of accounting policies - and a management’s review. When the annual report has been audited, the audit report shall be included therein.

(2) The annual report shall be prepared in accordance with the regulations stipulated in this part of this Act as well as regulations issued pursuant to section 8l.

8a. Each individual member of the management shall be responsible for ensuring that the annual report is prepared in accordance with the legislation and any further accounting and reporting requirements provided for by articles of association or by agreement. Further, each individual member shall be responsible for ensuring that the annual report may be audited and approved in time if auditing is required. Finally, each individual member of the board of
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directors shall be responsible for ensuring that the annual report is submitted to the Ministry of Employment and the Danish FSA within the time limits stipulated in legislation.

8b.- (1) When the annual report has been prepared, it shall be signed and dated by all members of the board of directors and the chief executive officer. They shall affix their signatures to a management endorsement, stating whether

1) the annual report has been presented in accordance with the requirements provided for by legislation as well as any requirements provided for by the articles of association or by agreement, and
2) the annual report gives a true and fair view of the undertaking's assets and liabilities, financial position and results for the year, and if consolidated financial statements are prepared, the group's assets and liabilities, financial position and results for the year.

(2) If the management has added supplementary reports to the annual report, the members of the board of directors and the chief executive officer shall state in the management endorsement whether the report provides a true and fair view in accordance with generally accepted guidelines for such reports.

(3) Even if a member of the management disagrees with an annual report in full or in part or has objections to the annual report being approved with the contents decided upon, said member shall not be entitled to omit to sign the annual report. However, such member of the management may state his or her objections giving specific and adequate grounds in connection with his or her signature and the management endorsement.

8c.- (1) The annual report shall provide a true and fair view of LD Pensions’ assets and liabilities, financial position and results for the year, and if consolidated financial statements are prepared, the group's assets and liabilities, financial position and results for the year.

(2) If the application of the provisions of this Act or regulations issued pursuant to section 8l is not sufficient to give a true and fair view in accordance with subsection (1), further disclosure shall be made in the annual report.

(3) If, in special cases, the application of the provisions set out in this part of this Act or the application of regulations issued pursuant to section 8l conflicts with the requirement of subsection (1), such provisions or regulations shall be derogated from so that the requirement can be met. Any such derogation shall be disclosed in the notes for each year, giving specific and adequate grounds and indicating the effect, including, if possible, the effect in terms of amounts, of the derogation on the assets and liabilities, financial position and the results of LD Pensions and the group respectively.

8d.- (1) In order for the statutory parts of an annual report to give a true and fair view in accordance with section 8c, the provisions of subsections (2) and (3) shall be complied with.

(2) The annual report shall be prepared so as to support users of financial statements in their financial decisions. Such users are private individuals, undertakings, organisations and public authorities, etc., whose financial decisions must normally be expected to be affected by an annual report, including members, creditors, employees, customers, alliance partners, the local community, authorities providing government grants, and fiscal authorities. As a minimum, the decisions in question concern:

1) investment of the user's own resources,
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2) the management's administration of the funds of the undertaking, and
3) the distribution of the funds of the undertaking.

(3) The annual report shall be prepared so as to disclose information about matters which are normally relevant to users, cf. subsection (2).

8e.-(1) The annual report shall be prepared in accordance with the basic assumptions set out below:

1) It must be prepared in a clear and understandable manner (clarity).
2) The substance of transaction rather than formalities without any real content must be accounted for (substance over form).
3) All relevant matters must be included in the annual report unless they are insignificant (materiality). But where several insignificant matters are deemed to be significant when combined, they must be included.
4) The operation of an activity is based on a going concern assumption unless it is to be discontinued or it is assumed that it will not be possible to be continued. If an activity is discontinued, classification and presentation as well as recognition and measurement must be adjusted accordingly.
5) Any change in value must be shown irrespective of the effect on the income statement (neutrality).
6) Transactions, events and changes in value must be recognised when occurring irrespective of the time of payment (accrual basis).
7) Methods of recognition and measurement basis must be applied uniformly to the same category of matters (consistency).
8) Each transaction, event and change in value must be recognised and measured individually, and individual matters must not be offset against each other (gross presentation).
9) The opening balance sheet for the accounting year must be equivalent to the closing balance sheet for the previous accounting year (formal consistency).

(2) Presentation and classification, method of consolidation, method of recognition and measurement basis as well as the monetary unit applied must not be changed from period to period (actual consistency). However, a change may be made if this results in a more true and fair view being given, or if the change is necessary in order to comply with new regulations issued pursuant to section 8l.

(3) The provisions in subsection (1), nos. 6-9, and subsection (2) may be derogated from in special cases. In such cases, section 8c(3), 2\textsuperscript{nd} clause shall apply correspondingly.

8f.-(1) The assets and liabilities of LD Pensions shall, unless otherwise provided for pursuant to section 8l, be measured at fair value. Assets and liabilities shall be depreciated and revalued in accordance herewith and depreciation and revaluation amounts shall be included in the income statement unless otherwise specified pursuant to section 8l.

(2) The fair value shall be determined as the market value of the relevant asset or liability on a well-functioning market. Where such an asset or liability is not traded on a well-functioning market, a recognised method shall be employed to calculate the fair value of the relevant asset or liability.

8g.-{(1) Supplementary reports, for example reports on knowledge and know-how and employee conditions (knowledge accounts), environmental issues (green accounts), the social
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responsibility of LD Pensions (social accounts), and ethical objectives, and follow-up to same, of LD Pensions (ethical accounts), shall give a true and fair view in accordance with generally accepted guidelines for such reports. Such reports shall meet the quality requirements in section 8d(3) and the basic assumptions set out in section 8e(1) and (2) subject to the special terms required by the nature of the case.

(2) The methods and measurement basis used for the preparation of the supplementary reports shall be disclosed in the reports.

8h. The accounting year shall cover the calendar year. This requirement shall also apply to any subsidiary companies.

8i. Recognition, measurement and disclosure in monetary units shall be denominated in Danish kroner (DKK).

8j. The annual report shall be audited by the external auditors of LD Pensions, cf. section 9. Such audit shall not apply to the supplementary reports included in the annual report, cf. section 8g.

8k.—(1) The audited and approved annual report and a transcript of the audit book regarding the audit of the annual report shall be submitted to the Ministry of Employment and the Danish FSA without undue delay after the annual report was approved by the board of directors, subject however to a maximum of four months after the end of the accounting year. If the board of directors has established an internal audit department, the audit book of the chief internal auditor shall also be submitted.

(2) The annual report submitted shall as a minimum include the compulsory elements and the full audit report. Where LD Pensions wishes to publish supplementary reports as specified in section 8g, such reports shall be submitted with the compulsory elements of the annual report, so that the compulsory elements and the supplementary reports jointly form a single document, designated as the “annual report”.

(3) Together with the submission of the annual report under subsection (1), a copy of the annual report from all subsidiary undertakings of LD Pensions shall be submitted.

8l.—(1) The Danish FSA shall lay down more detailed regulations on the annual report, including regulations on the recognition and measurement of assets, liabilities, revenue and expenditure, presentation of the income statement and balance sheet, and requirements regarding notes and the management's review.

(2) The Danish FSA shall also lay down regulations on consolidated financial statements, including regulations on when the annual report shall include consolidated financial statements.

(3) The Danish FSA may lay down regulations on the preparation and publication of interim statements covering shorter periods than the annual report.

8m. In order to ensure that the annual report of LD Pensions is in accordance with the regulations of this part of this Act and the regulations issued in pursuance of section 8l, the Danish FSA may

1) provide guidance,
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2) take action against violations, and
3) order that errors be corrected and that violations be remedied.

8n.-(1) The Danish FSA may require LD Pensions to submit regular accounts to the Danish FSA in accordance with more detailed guidelines laid down by the Danish FSA.

(2) The Danish FSA may demand that the accounts referred to in subsection (1) be supplemented with reports on individual matters, signed by LD Pensions’ chief executive officer or board of directors.

9.-(1) The annual report of LD Pensions shall be audited by at least one auditor who is a state-authorised public accountant. The board of directors shall appoint the auditors, but may cancel such appointment at any time. The Minister for Employment may in exceptional cases appoint an additional auditor. This auditor shall act on the same terms and in accordance with the same regulations as the auditors appointed by the board of directors.

(2) The auditors of LD Pensions shall also be the auditors of any subsidiary undertakings.

(3) Subsection (2) shall not apply to subsidiary undertakings which are not domiciled in Denmark.

(4) The board of directors may decide to establish an internal audit department headed by a chief auditor.

(5) On a change of auditors, LD Pensions and the outgoing auditor shall submit separate accounts of the change to the Danish FSA no later than one month after the termination of office where the change is caused by special circumstances.

(6) If an auditor is clearly unsuitable for the position, the Minister for Employment may dismiss said auditor and appoint another auditor instead to act until a new election.

(7) The auditors shall keep an audit book for use by the board of directors, and this shall be presented at each meeting of the board of directors. Each addition to the audit book shall be signed by all the members of the board of directors.

(8) The board of directors may not permit that the chief and deputy chief internal auditors to perform audit tasks in undertakings outside the group, cf. section 5c(1). Neither may the board of directors permit that the chief and deputy chief internal auditors perform work other than audit tasks in undertakings within the group, in schemes managed by LD Pensions or in undertakings within the same joint administrative organisation. In special cases, the Danish FSA may grant exemptions from the 1st clause.

(9) The board of directors may not, cf. section 5c(1), permit the chief and deputy chief internal auditors to assume duties that mean that they come into conflict with provisions on legal capacity corresponding to those that apply to external auditors in the “the "lov om statsautoriserede og registrerede revisorer” (state-authorised public accountants and registered public accountants act).

9a.- (1) The auditors shall always be entitled to attend meetings of the board when matters relevant to the audit or the presentation of the accounts are addressed.
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(2) The auditors shall participate in the board’s treatment of matters where such participation is requested by one or more members of the board.

(3) The Danish FSA shall lay down regulations regarding performance of the audit of LD Pensions.
(4) The Danish FSA may order the auditor to disclose information about the conditions of LD Pensions. If the board of directors has established an internal audit department under section 9(4), the same shall apply to the chief internal auditor.

9b. An external auditor and a chief internal auditor shall immediately notify the Danish FSA of matters which are of material importance to the continued operation of LD Pensions, including matters which may be observed by the auditors while performing their audit in undertakings with which LD Pensions is closely linked.

Part 5a

Supervision

10.-(1) The Danish FSA shall ensure compliance with sections 4b, 4c, 5, 5a, 5b and 5c and parts 4 and 5 of this Act.

(2) The Financial Business Council shall be included in supervision under subsection (1) within the competence areas of the Council, cf. section 345(2) of the Financial Business Act.

(3) The Danish FSA may order LD Pensions to carry out measures that the Danish FSA considers necessary within a specified time limit to ensure compliance with the parts and provisions of this Act mentioned in subsection (1).

(4) The Danish FSA may order that LD Pensions remove a chief executive officer covered by section 4a(2) within a time limit specified by the Danish FSA.

(5) The Danish FSA shall notify the Minister for Employment of an order in pursuance of subsections (3) and (4) at the same time as issuing said order.

10a.-(1) The Danish FSA shall examine the circumstances of LD Pensions which are subject to supervision by the Danish FSA, cf. section 10(1), including through reviews of regular reports and through inspections.

(2) Following an inspection of LD Pensions, a meeting shall be held, including as participants the board of directors of LD Pensions, the chief executive officer, the external auditors, and the chief internal auditor, unless such inspection exclusively concerns clearly demarcated areas of activity in LD Pensions. At said meeting, the Danish FSA shall announce its conclusions regarding the inspections.

(3) Following an inspection visit, significant conclusions shall be submitted in the form of a written report to the board of directors of LD Pensions, the chief executive officer, the external auditors, and the chief internal auditor. Said persons shall confirm having been made aware of said report by signing it, whereupon the report shall be returned to the Danish FSA.

(4) The Danish FSA shall submit a copy of the report to the Minister for Employment at the same time as forwarding the report to the management.
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10b.- (1) LD Pensions shall provide the Danish FSA with such information as is necessary for the performance of the duties of the Danish FSA.

(2) The Danish FSA may at all times, on proof of identity and without a court order, gain access to LD Pensions with a view to obtaining information, including during inspections.

(3) To the extent required to assess the financial position of LD Pensions, the Danish FSA shall be entitled to obtain information and at any time, on proof of identity and without a court order, have access to undertakings with which LD Pensions has special direct or indirect links.

(4) The Danish FSA may ask for any information, including accounts, accounting records, printouts of books, other business records, and electronically stored data deemed necessary for the activities of the Danish FSA.

10c. The Danish FSA shall provide the Minister for Employment with an annual report on supervision of LD Pensions. LD Pensions shall be notified of the contents of such annual report.

10d. LD Pensions shall pay a fee to the Danish FSA. Said fee shall be set pursuant to part 22 of the Financial Business Act.

10e. Decisions made by the Danish FSA under this Act or regulations issued pursuant to this Act may be brought before the Company Appeals Board by the person against whom said decision is directed no later than 4 weeks after the person concerned has been notified about the decision.

10f.- (1) Section 354 of the Financial Business Act regarding the duty of confidentiality of the Danish FSA shall apply to this Act with the necessary variations in its operation.

(2) For stipulating who shall be considered party in relation to this Act, section 355 of the Financial Business Act shall apply with the necessary variations in its operation. Status as party and authorities as party under section 355 of the Financial Business Act shall be limited by this Act to conditions where decisions by the Danish FSA are made after 1 July 2004.

Part 6

General provisions

11.- (1) The right to appeal against the size of the amount paid on behalf of the individual wage earner by the state under the “dyrtidsindbetalingsloven” (payment of cost-of-living portions act) shall expire on 1 January 1985.

(2) Appeals against the size of the amount paid out may not be lodged after 3 years following payment.

12. Demands for payment under this Act may not be transferred or mortgaged, nor may they be made subject to attachment, execution, or other legal proceedings.

13. Public authorities, government-approved unemployment insurance funds, insurance companies and pension funds shall, on demand, disclose all information to LD Pensions that is of significance to determining issues involving the right to payments under this Act.
14.-(1) Unless more severe penalty is due under other legislation, a fine or lenient imprisonment shall be imposed on any person who, as a member of the board of directors or auditor of LD Pensions

1) omits to perform his duties under this Act,
2) gives incorrect or misleading information to the Minister for Employment or other public authorities on matters relevant to LD Pensions,
3) is guilty of gross or frequently repeated negligence or carelessness that may entail losses for LD Pensions.

(2) The persons mentioned in subsection (1) shall, under sections 152 and 264b of the Criminal Code, be obliged to keep confidential all information they obtain in connection with their office or function.

14a.-(1) Any person violating section 4a(3), and sections 8k and 9b shall be liable to a fine or imprisonment of no more than 4 months unless more severe penalty is due under other legislation. Any person violating the provisions in section 4c(1), nos. 1-4; sections 5a and 5b; section 5c(1), (2), 1st clause, and (3), (5) and (6); section 8(1), 1st clause, section 8b(1), (2) and (3), 1st clause, sections 8c and 8d; section 8e(1), (2), 1st clause, and (3), 2nd clause; sections 8f, 8g, 8h and 8i; section 8j, 1st clause; sections 8n, 9(2) and (5); and sections 10a(3), 2nd clause, shall be liable to a fine. LD Pensions shall be liable to a fine if LD Pensions fails to comply with an order issued pursuant to section 10(3) and (4).

(2) In regulations issued pursuant to this Act, fines may be stipulated for any violation of the provisions of said regulations.

(3) The period of limitation for violations of the provisions in this Act or regulations issued pursuant to this Act shall be 5 years.

Part 7

Entry into force and transitional provisions

15.-(1) This Act shall enter into force on 1 April 1980.

(2) Payment in accordance with sections 2 and 3(1) shall commence on 1 January 1981.

(3) Section 3(2) shall not apply until 1 January 1986.

Act no. 1040 of 23 December 1992 amending the LD Pensions Act (payment regulations) contains the following provision regarding entry into force:

2.- (1) This Act shall enter into force on 1 January 1993.

(2) For wage earners who have attained their 60th birthday at the date of entry into force of this Act, the amount paid in shall be paid out with a supplement in accordance with section 2(1), no. 1, as stated in section 1, no. 1 of this Act, before 1 April 1993, if a request for payment with documentation from the tax authorities or, if this is not complete, a solemn declaration from the wage earner is submitted before 1 February 1993. If the request with
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documentation is submitted at a later date, payment shall be no later than 2 months after receipt of the request by LD Pensions.

Act no. 252 of 19 April 1995 amending the Act on Arbejdsmarkedets Tillægspension and the LD Pensions Act contains the following provision regarding entry into force:

3.-(1) This Act shall enter into force on 1 May 1995.

(2) The term of office of members of the shareholder committee of Arbejdsmarkedets Tillægspension, who are appointed for a term up to 31 March 1995, shall be extended to 30 April 1995.

(3) The term of office of members of the shareholder committee of Arbejdsmarkedets Tillægspension, who are appointed as at 1 May 1995, shall expire as hitherto on 31 March.

Act no. 1071 of 20 December 1995 on Investment Companies contains the following provision on entry into force:

37. The date of entry into force of this Act or parts of this Act shall be laid down by the Minister for Industry and Business Affairs.

Act no. 475 of 10 June 1997 amending the Insurance Business Act; the Commercial Banks and Savings Banks, etc. Act; the Mortgage-Credit Act; the Securities Trading, etc. Act; the Investment Companies Act; the Supervision of Company Pension Funds Act; the LD Pensions Act; and the Act on Arbejdsmarkedets Tillægspension (regulations on management, placement, etc.) contains the following provisions on entry into force:

9.-(1) This Act shall enter into force on 1 January 1998 ---

(2) The board of directors shall have prepared internal guidelines in accordance with --- section 5a(2) and section 5c(1) of the LD Pensions Act, as stated in section 7, no. 1 of this Act, ---

(3) The provisions in --- section 5b(3), 2nd clause, section 5c(2), section 5d, section 5g(3), 2nd clause, and section 8a(9) of the LD Pensions Act, as stated in section 7, nos. 1 and 2 of this Act, --- shall apply to accounting years that commence on 1 January 1998 and thereafter.

(4) Notwithstanding these provisions, members of the board of management and their deputies and persons of equal status as well as chief internal auditors and deputy chief internal auditors, who at the date of entry into force of this Act engage in activities in contravention of --- section 5f of the LD Pensions Act, as stated in section 7, no. 1 of this Act, --- may continue to carry out such activities.

(5) Persons covered by --- section 5f of the LD Pensions Act, --- who at the date of entry into force of this Act have carried out activities in accordance with the provisions of these Acts may, notwithstanding the regulations in --- section 5f, cf. sections 5g-5l of the LD Pensions Act as stated in section 7, no. 1 of this Act, --- continue with such activities until the expiry of the term of office commenced before 9 April 1997. If this group of persons commences a term of office after this date in a position that is not covered by --- section 5f, cf. sections 5g-5l of the
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LD Pensions Act ---, such persons shall resign no later than 1 February 1998.

(6) ---

(7) Notwithstanding the regulations of this Act, members of the board of management and their deputies and persons of equal status, as well as branch managers in financial institutions covered by this Act may carry out duties as members of the board of directors of Danish Ship Finance, Dansk Eksportfinansiering, the Danish Agricultural Mortgage Bank, Danish Venture Finance A/S, Finansieringsinstituttet for Hoteller m.v., FIH - Finance for Danish Industry, the Nordic Association, the LRF Mortgage Bank, Totalkredit Realkreditfond, and Bornholm’s Investment Fund.

(8) ---

(9) Exposures and collateralisation legally entered into as at 1 January 1998 between the external auditors or a chief or deputy chief internal auditor or employees of Arbejdsmarkedets Tillægspension or LD Pensions and the institutions and companies mentioned in sections 1-5, 7, and 8 may continue until the date of expiry originally agreed.

(10) ---

(11) Persons employed by the KR (local government auditing) may, however, notwithstanding section 9(1) of the LD Pensions Act, as amended by section 7, no. 3 of this Act, continue activities as joint auditor until the first ordinary general meeting after the end of 1999, at which the annual financial statements are to be approved.

(12) Persons who, prior to 1 January 1998, have been legally elected to carry out the statutory audit of financial institutions covered by this Act, but who are neither state-authorised public accountants nor registered public accountants may continue with their activities until the first ordinary general meeting after 1 January 1998, at which the annual financial statements are to be approved.

Act no. 490 of 1 July 1998 amending the Insurance Business Act, the Supervision of Company Pension Funds Act, the LD Pensions Act, the Act on Arbejdsmarkedets Tillægspension and the Act on Protection against the Consequences of Industrial Injuries (Harmonisation of investment rules and increase in the share ceiling) contains the following provision regarding entry into force:

6. This Act shall enter into force on 1 August 1998 and shall be effective for annual financial statements from the 1998 accounting year and thereafter.

Act no. 1055 of 23 December 1998 amending the Supervision of Company Pension Funds Act, the Act on Arbejdsmarkedets Tillægspension, the LD Pensions Act and the Act on Protection against the Consequences of Industrial Injuries (Placement regulations, duty of confidentiality, concept of party, investment pools, etc.) contains the following provision regarding entry into force:

5. This Act shall enter into force on 1 January 1999.
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Act no. 288 of 12 May 1999 amending the Act on Arbejdsmarkedets Tillægspension, the LD Pensions Act, and various other Acts (consequence amendments resulting from reduction of the age qualifying for the state pension from 67 to 65 years) contains the following provision regarding entry into force:

17.- (1) This Act shall enter into force on 1 July 1999,

Act no. 1329 of 20 December 2000 amending the Insurance Business Act, the Act on Arbejdsmarkedets Tillægspension, the LD Pensions Act, the Act on Protection against the Consequences of Industrial Injuries, and the Supervision of Company Pension Funds Act (Administration of insurance portfolios, flexible share ceiling, and labour-market-related life assurance limited companies, etc.) contains the following provision regarding entry into force:

6. This Act shall enter into force on 1 January 2001.

Act no. 503 of 7 June 2001 amending the Insurance Business Act, the Act on Arbejdsmarkedets Tillægspension, the LD Pensions Act, the Act on Protection against the Consequences of Industrial Injuries and the Insurance Broker Business Act (Temporary controlling influence of institutional investors, management of insurance products, establishment by insurance companies of branches in other countries, and contributions to the Danish FSA from Arbejdsmarkedets Tillægspension, LD Pensions and AES - Arbejdsmarkedets Erhvervssygdomssikring) contains the following provision regarding entry into force:

6.- (1) This Act shall enter into force on 1 July 2001,

Act no. 428 of 6 June 2002, amending section 10 of this Act, contains the following provision on entry into force:

19.- (1) This Act shall enter into force on 1 July 2002,

(2) ---
(3) ---
(4) ---

Act no. 453 of 10 June 2003 on Financial Business, amending section 10 of this Act, contains the following provision regarding entry into force:

375.- (1) This Act shall enter into force on 1 January 2004,

(2) ---
(3) ---
(4) ---
(5) ---
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Act no. 190 of 24 March 2004 amending the LD Pensions Act, the Act on Arbejdsmarkedets Tillægspension, the "pensionsbeskatningsloven" (act on taxation of pension schemes) and the "pensionsafkastbeskatningsloven" (act on taxation of pension income) (amended regulations on payment and establishment of right of transfer), which amends sections 2, 3, 5 and 6 of this Act and inserts part 4a of this Act, contains the following provision on entry into force:

5.- (1) This Act shall enter into force on 1 April 2004, cf. however subsections (2) and (3).

(2) Section 7a(1) and (2) and section 7b(1), 1st clause, as stated in section 1, no. 6 of this Act, --- shall enter into force on 1 July 2005.

(3) ---.

Act no. 365 of 19 May 2004 amending the Financial Business Act, the Act on Arbejdsmarkedets Tillægspension, the Workers' Compensation Act, the LD Pensions Act and the "lov om grænseoverskridende pengeoverførsler" (act on cross-border credit transfers) (implementation of directive on financial conglomerates, disclosure of confidential information, harmonisation of the Act on Arbejdsmarkedets Tillægspension, the Workers' Compensation Act and the LD Pensions Act with the Financial Business Act, etc.), which amends section 2, parts 3, 4 and 5 and annex A of this Act and inserts part 5a, contains the following provision on entry into force:

6.- (1) This Act shall enter into force on 1 July 2004, cf. however subsections (2) and (3).

(2) The Minister for Economic and Business Affairs shall determine the time of entry into force of --- section 4, no. 4 of this Act, ---.

(3) ---.

The Ministry of Employment, 15 September 2004

Claus Hjort Frederiksen

/E. Edelberg
The following countries are covered by Zone A:

EU Member States, other countries with full membership of the Organisation for Economic Cooperation and Development (OECD), and other countries that have entered into special loan agreements with the International Monetary Fund (IMF) and are affiliated with the General Arrangements to Borrow (GAB). However, a country that restructures its foreign national debt due to inability to pay shall be excluded from Zone A for a period of five years.