

Remuneration report

Remuneration policy

The purpose of the remuneration policy is generally to attract, motivate and retain qualified employees, members of the management boards and boards of directors of the individual companies. The remuneration policy is intended to ensure that remuneration is consistent with sound and efficient risk management and is aligned with the company's strategy, values and goals and the interests of customers and investors. Click here for more information: <https://www.almbrand.dk/om-alm-brand/om-os/forretning-og-strategi/>

The purpose of this remuneration policy is to ensure that the remuneration principles and practices at Alm. Brand comply with the rules governing financial enterprises.

This report describes the remuneration policy and remuneration of the boards of directors, management boards and other employees who hold positions which the individual boards of directors have categorised as positions involving activities that are assessed to have a significant impact on the company's risk profile ("risk takers") for the following companies:

Alm. Brand af 1792 fmba
Alm. Brand A/S
Alm. Brand Forsikring A/S
Alm. Brand Bank A/S
Forsikringselskabet Alm. Brand Liv og Pension A/S

The decision-making process for determining the remuneration policy

The remuneration policy is determined by the boards of directors of the individual companies.

In Alm. Brand A/S and Alm. Brand Forsikring A/S, the boards of directors have set up remuneration committees which, in accordance with the committees' rules and legislation, assist the companies' boards of directors in this respect. The final approval of the remuneration policy rests with the company's supreme governing body.

Information about the remuneration committees' tasks, number of meetings and members is available in the remuneration policy as well as on the following page:

<https://investor.almbrand.dk/Danish/governance/default.aspx#section=rev#remuneration>

The number of board meetings held in 2018 is set out in the companies' annual reports.

Remuneration to members of the companies' management boards and other risk takers

The remuneration is determined in accordance with the principles and the framework laid down and described in the remuneration policy. The remuneration policy is available at: https://s22.q4cdn.com/306893677/files/doc_news/agm_dk/2019/L%C3%B8politik-2019.pdf

The remuneration to management board members and other risk takers only includes fixed remuneration components and no variable remuneration components in accordance with the provisions of the Danish Financial Business Act.

The management board members of Alm. Brand Forsikring A/S, Alm. Brand Bank A/S and Alm. Brand Liv og Pension as well as material risk takers of the group may in exceptional cases be awarded a one-off amount not to exceed DKK 100,000 per year, provided that the board of directors or the management board, respectively, deems that this is in accordance with the remuneration policy.

In 2018, such one-off amount was awarded twice in accordance with the above. The one-off amounts were paid in cash and without any postponement. As information about the amount would imply publication of the individual risk taker's variable remuneration component, the amounts have been omitted.

Share options, discontinued scheme

The remuneration policy applicable until 28 April 2016 provided that a part of the fixed remuneration to management board members and risk takers who were members of Alm. Brand's group coordination team ("ABKO") could be disbursed by way of share options. Until 31 March 2016, the management board members and material risk takers who were members of ABKO earned share options as a fixed component of their fixed monthly salaries in accordance with the provisions of the remuneration policy. Granting of share options as a fixed remuneration component has been discontinued, and no further share options will be granted.

Variable remuneration for risk takers who are not members of ABKO

The remuneration policy provides that variable remuneration components may be used for material risk takers who are not management board members and who are not members of ABKO. The variable remuneration components are intended to promote a balanced, sustainable and long-term interest in the companies' and the group's continued performance and growth. The possibility of using variable remuneration components has not been utilised to date.

Fixed remuneration by way of shares

A small part of the fixed remuneration may be disbursed by way of shares in accordance with the remuneration policy. This possibility has been utilised in relation to management board members and members of ABKO. The shares are granted free of charge twice annually (third trading day of June and December, respectively). The value is calculated as a simple average of the average price of one share in Alm. Brand quoted on the first trading day of each calendar month during the calendar months forming the basis of the individual share grant.

All employees, including management board members and other risk takers, may participate in share purchases deducted from gross salary.

Sign-on bonus and severance payments

In 2018, a one-off amount was agreed upon and awarded in connection with a sign-on bonus in accordance with the remuneration policy. The one-off amount was paid in cash and without any postponement. The amount is not disclosed as this would imply publication of the individual risk taker's variable remuneration component.

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In accordance with the remuneration policy, no agreements on severance payment have been concluded, and no agreed severance payments have been disbursed in 2018.

Special information about remuneration to the members of the Management Board of Alm. Brand A/S

Remuneration 2018

The Management Board consists of Søren Boe Mortensen, CEO.

The remuneration only includes fixed remuneration components and no variable remuneration components in accordance with the provisions of the Danish Financial Business Act. The remuneration package is comprised of fixed salary, share-based remuneration, pension contributions, company car, paid telephone subscription and other customary salary substitutes.

Other directorships held by the Management Board member in companies of the Alm. Brand Group do not trigger any remuneration.

In 2018, the remuneration package to the Management Board totalled DKK 9.7 million.

The remuneration of the Management Board is adjusted every two years, the next time in 2020.

| Søren Boe Mortensen | 2018 | 2017 | 2016 |
|------------------------------------|------------------|------------------|------------------|
| Monthly salary | 6,627,129 | 6,191,416 | 6,261,902 |
| Company-paid pension contributions | 2,260,164 | 1,998,860 | 1,908,924 |
| Share option | | | 199,856 |
| Shares | | | |
| Share-based remuneration 13% | 788,125 | 734,500 | 367,250 |
| Total | 9,675,418 | 8,924,776 | 8,737,932 |

Note:

Until 31 March 2016, the CEO earned share options as a fixed component of the fixed monthly salary.

The share options were granted twice annually.

Severance terms

The notice of termination between Alm. Brand A/S and the Management Board is 12 months for either party. If the Management Board member is given notice by Alm. Brand A/S, he is entitled to a severance payment equalling 24 months' remuneration.

No agreement has been made on retention.

Remuneration of the members of the companies' boards of directors

Remuneration of the members of the individual companies' boards of directors consists of fixed fees only. The companies' board members are not granted variable remuneration.

No board members receive separate fees for consultancy work carried out for companies of the Alm. Brand Group. The board members' travel expenses are reimbursed.

Severance payments are not granted to board members.

Special information about remuneration to the members of the Board of Directors of Alm. Brand A/S

Remuneration 2018

In April 2018, the shareholders in annual general meeting decided, in line with the recommendation of the Board of Directors, to maintain the level of the basic fee paid to the Board of Directors at DKK 275,000 for the coming year until the annual general meeting in 2019.

The members of the Board of Directors receive an annual basic fee. In addition, the Chairman and the Deputy Chairman and committee members receive multiples of the basic fee for their additional work.

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| Remuneration of directors 2018 | | Company | | | | | |
|--------------------------------|----------------------------|--------------------|------------------|-------------------------|------------------------|-------------------------------------|------------------|
| Membership | Name | Alm. Brand fmba | Alm. Brand A/S | Alm. Brand Fors. A/S | Alm. Brand Bank A/S | Alm. Brand Liv og Pension A/S | Total |
| Chairman | Jørgen H. Mikkelsen | 77,500 | 737,500 | 40,000 | 175,000 | 40,000 | 1,070,000 |
| Deputy Chairman | Jan Skytte Pedersen | 50,000 | 490,000 | 40,000 | 175,000 | 40,000 | 795,000 |
| Member | Anette Eberhard | | 355,000 | 40,000 | 175,000 | 40,000 | 610,000 |
| | Boris Nørgaard Kjeldsen | 27,500 | 247,500 | | 175,000 | | 450,000 |
| | Ebbe Castella | | 275,000 | | 175,000 | | 450,000 |
| | Flemming Fuglede Jørgensen | 18,333 | 165,000 | 26,667 | | 26,667 | 236,667 |
| | Henrik Christensen | 9,167 | 82,500 | 13,333 | | 13,333 | 118,333 |
| | Karen Sofie Hansen-Hoeck | | 275,000 | | | | 275,000 |
| | Per V. H. Frandsen | 27,500 | 247,500 | 40,000 | | 40,000 | 355,000 |
| Employee | Brian Egested | 27,500 | 247,500 | | | | 275,000 |
| | Helle Låsby Frederiksen | 27,500 | 247,500 | | | | 275,000 |
| | Claus Nexø Jensen | 21,290 | 165,000 | | | | 186,290 |
| | Lars Christiansen | 6,210 | 82,500 | | | | 88,710 |
| | Susanne Larsen | | 275,000 | | | | 275,000 |
| Total | | 292,500 | 3,892,500 | 200,000 | 875,000 | 200,000 | 5,460,000 |

Note 2018:

Fees for participation in the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for Jørgen H. Mikkelsen and Jan Skytte Pedersen by an amount of DKK 40,000 and for the chairman of the audit committee, Anette Eberhard, by an amount of DKK 80,000.

Lars Christiansen was a member of Alm. Brand FMBA until and including 22 March 2018 and was replaced by Claus Nexø Jensen from 23 March 2018.

Lars Christiansen was a member of Alm. Brand A/S' Board of Directors until and including 30 April 2018 and was replaced by Claus Nexø Jensen from 1 May 2018.

Henrik Christensen was a member of Alm. Brand FMBA, Alm. Brand A/S' Board of Directors, Alm. Brand Forsikring A/S' Board of Directors and Alm. Brand Liv og Pension's Board of Directors until and including 30 April 2018 and was replaced by Flemming Fuglede Jørgensen from 1 May 2018.

CEO Søren Boe Mortensen's representation on boards of directors is not listed above as Søren Boe Mortensen receives no separate remuneration for directorships.

Alm. Brand A/S – Annual Report 2018 – Governance

| Remuneration of directors 2017 | | Company | | | | | |
|--------------------------------|--------------------------|--------------------|-------------------|-------------------------|------------------------|-------------------------------------|------------------|
| | | Alm. Brand fmba | Alm. Brand A/S | Alm. Brand Fors. A/S | Alm. Brand Bank A/S | Alm. Brand Liv og Pension A/S | Total |
| Membership | Name | | | | | | |
| Chairman | Jørgen H. Mikkelsen | 77,500 | 737,500 | 40,000 | 175,000 | 40,000 | 1,070,000 |
| Deputy Chairman | Jan Skytte Pedersen | 50,000 | 490,000 | 40,000 | 175,000 | 40,000 | 795,000 |
| Member | Anette Eberhard | | 355,000 | 40,000 | 175,000 | 40,000 | 610,000 |
| | Boris Nørgaard Kjeldsen | 27,500 | 247,500 | | 175,000 | | 450,000 |
| | Ebbe Castella | | 275,000 | | 175,000 | | 450,000 |
| | Henrik Christensen | 27,500 | 247,500 | 40,000 | | 40,000 | 355,000 |
| | Karen Sofie Hansen-Hoeck | | 275,000 | | | | 275,000 |
| | Per V. H. Frandsen | 27,500 | 247,500 | 40,000 | | 40,000 | 355,000 |
| Employee | Brian Egested | 27,500 | 247,500 | | | | 275,000 |
| | Helle Låsby Frederiksen | 27,500 | 247,500 | | | | 275,000 |
| | Lars Christiansen | 27,500 | 247,500 | | | | 275,000 |
| | Susanne Larsen | | 275,000 | | | | 275,000 |
| Total | | 292,500 | 3,892,500 | 200,000 | 875,000 | 200,000 | 5,460,000 |

Note 2017:

Fees for participation in the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for Jørgen H. Mikkelsen and Jan Skytte Pedersen by an amount of DKK 40,000 and for the chairman of the audit committee, Anette Eberhard, by an amount of DKK 80,000.

CEO Søren Boe Mortensen's representation on boards of directors is not listed above as Søren Boe Mortensen receives no separate remuneration for directorships.

Alm. Brand A/S – Annual Report 2018 – Governance

| Remuneration of directors 2016 | | Company | | | | | |
|--------------------------------|--------------------------|--------------------|-------------------|-------------------------|------------------------|-------------------------------------|------------------|
| | | Alm. Brand fmba | Alm. Brand A/S | Alm. Brand Fors. A/S | Alm. Brand Bank A/S | Alm. Brand Liv og Pension A/S | Total |
| Membership | Name | | | | | | |
| Chairman | Jørgen H. Mikkelsen | 70,000 | 670,000 | 40,000 | 160,000 | 40,000 | 980,000 |
| Deputy | Jan Skytte Pedersen | 30,000 | 296,667 | 26,667 | 106,667 | 26,667 | 486,667 |
| Chairman | Boris Nørgaard Kjeldsen | 15,000 | 148,333 | 13,333 | 53,333 | 13,333 | 243,333 |
| Member | Anette Eberhard | | 330,000 | 40,000 | 160,000 | 40,000 | 570,000 |
| | Boris Nørgaard Kjeldsen | 16,667 | 150,000 | - | 106,667 | - | 273,333 |
| | Ebbe Castella | | 250,000 | | 160,000 | | 410,000 |
| | Jan Skytte Pedersen | 8,333 | 75,000 | 13,333 | 53,333 | 13,333 | 163,333 |
| | Henrik Christensen | 25,000 | 225,000 | 40,000 | | 40,000 | 330,000 |
| | Karen Sofie Hansen-Hoeck | | 250,000 | | | | 250,000 |
| | Per V. H. Frandsen | 25,000 | 225,000 | 26,667 | | 26,667 | 303,333 |
| Employee | Brian Egested | 25,000 | 225,000 | | | | 250,000 |
| | Helle Låsby Frederiksen | 25,000 | 225,000 | | | | 250,000 |
| | Lars Christiansen | 25,000 | 225,000 | | | | 250,000 |
| | Susanne Larsen | | 250,000 | | | | 250,000 |
| Total | | 265,000 | 3,545,000 | 200,000 | 800,000 | 200,000 | 5,010,000 |

Note 2016:

Fees for participation in the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for Jørgen H. Mikkelsen and Jan Skytte Pedersen by an amount of DKK 40,000 and for the chairman of the audit committee, Anette Eberhard, by an amount of DKK 80,000.

Boris N. Kjeldsen was Deputy Chairman of Alm. Brand A/S until 29 April 2016 when he became an ordinary board member and resigned from the boards of directors of Alm. Brand Forsikring A/S, Alm. Brand Liv og Pension A/S as well as from the audit committee (Forsikring og Liv/Pension).

Jan Skytte Pedersen became Deputy Chairman and a member of the audit committee on 29 April 2016.

Per V.H. Frandsen became a member of the boards of directors of Alm. Brand Forsikring A/S and Alm. Brand Liv og Pension A/S on 29 April 2016.

CEO Søren Boe Mortensen's representation on boards of directors is not listed above as Søren Boe Mortensen receives no separate

Overview of remuneration earned in the 2018 financial year

Boards of directors, management boards and risk takers of the companies by business area

| Company | Business area (no. of persons) | Fixed salary/fee in DKK '000 | Variable remuneration |
|--------------------------------------|-----------------------------------|---------------------------------|-----------------------|
| Alm. Brand fmba | Board of Directors (10) | 292 | - |
| | Management Board (1) | - | - |
| Alm. Brand A/S | Board of Directors (14) | 3,892 | - |
| | Management Board (1) | 9,675 ** | - |
| | Risk taker (1) | * | - |
| Alm. Brand Bank A/S | Board of Directors (9) | 1,400 | - |
| | Management Board (1) | 4,345 | - |
| | Invest (3) | 4,379 | - |
| | Retail (16) | 17,691 | * |
| | Asset Management (6) | 8,645 | - |
| | Group functions (4) | 3,394 | - |
| | Other business areas (8) | 9,777 | * |
| | Alm. Brand Forsikring A/S | Board of Directors (8) | 200 |
| Management Board (1) | | 4,426 | - |
| Retail (7) | | 17,011 | - |
| Group functions (5) | | 13,644 | - |
| Independent control function (10) | | 7,286 | * |
| Other business areas (4) | | 7,258 | - |
| Alm. Brand Liv og Pension | | Board of Directors (9) | 200 |
| | Management Board (1) | 2,413 | - |
| | Other business areas (2) | | * - |

* If the risk taker's salary would be identifiable, the amount is not shown.

** The Management Board member of Alm. Brand A/S receives total remuneration exceeding EUR 1 million. In 2018, no board members or other employees of the group received a salary amounting to EUR 1 million or more.

Overview of recipients of the specified remuneration components, 2018

| Function | | | | |
|---------------------------|--------------|--|--|------------------------------------|
| Company | Salary/fee | Board of Directors Number of recipients | Management Board Number of recipients | Risk taker Number of recipients |
| Alm. Brand A/S | Fixed salary | | 1 | 1 |
| | Board fee | 14 | | |
| Alm. Brand Bank A/S | Fixed salary | | 1 | 37 |
| | Board fee | 9 | | |
| | Variable | | | 3 |
| Alm. Brand fmba | Board fee | 10 | 1 | |
| Alm. Brand Forsikring A/S | Fixed salary | | 1 | 26 |
| | Variable | | | 1 |
| | Board fee | 8 | | |
| Alm. Brand Liv og Pension | Fixed salary | | 1 | 2 |
| | Board fee | 9 | | |

Note: The director of Alm. Brand fmba af 1792 as well as the board members who are employed and receive remuneration as directors of other companies in the group do not receive a separate fee for the performance of these duties. Regardless of this, they are included in the above overview.