

REMUNERATION POLICY

of the following financial enterprises of the Alm. Brand Group:

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

**Applicable as from approval at the companies' next meeting of the committee
of representatives
and annual general meetings in 2020, respectively.**

Remuneration policy of the financial enterprises of Alm. Brand

The financial enterprises of the Alm. Brand Group comprise:

Alm. Brand af 1792 fmba

Alm. Brand A/S

Alm. Brand Forsikring A/S

Alm. Brand Bank A/S

Alm. Brand Liv og Pension A/S.

1. Background and purpose

This remuneration policy sets out the framework for and basis of remuneration at Alm. Brand.

The remuneration policy is intended to ensure that the remuneration principles and practices at Alm. Brand comply with the rules from time to time applicable to remuneration of the board of directors and management board of Alm. Brand A/S and with the rules from time to time applicable to remuneration of boards of directors, management boards and other employees of the companies of the Alm. Brand group which are covered by this remuneration policy.

The remuneration policy is intended to create a basis for remuneration which is consistent with and promotes sound and efficient risk management and sustainability, and which is aligned with the company's strategy, values and goals and the interests of customers and investors.

The remuneration policy is structured on the basis of an overall assessment of the size of the company, its organisation and the scope and complexity of its activities.

2. Eligible individuals

The remuneration policy comprises members of the board of directors, management board, managers and employees of the companies comprised by the remuneration policy.

Special rules have been laid down for the remuneration of members of the board of directors and the management board, other managers and employees whose activities have a material impact on the group's and the individual companies' risk profiles ("risk takers") as well as employees performing control, auditing or actuarial functions. Finally, the remuneration policy comprises special rules for employees engaged in advisory services and provision to consumers of credit secured against real estate and employees who, through direct customer contact, are involved in providing sales and/or advisory services concerning financial instruments to retail customers.

Delimitation of risk takers

At least once annually, the board of directors will consider which managers and employees should be comprised by the definition of risk takers.

The assessment is made on the basis of the regulations applicable from time to time in the area, currently:

- For Alm. Brand 1792 fmba, Alm. Brand A/S and Alm. Brand Bank A/S:
 - The Danish Financial Business Act (the "FBA") and related executive orders
 - Commission Delegated Regulation (EU) no. 604/2014 on identification of risk takers (the "Regulation"). The companies have based the identification of eligible risk takers on the considerations and criteria set out in the Regulation.
- For Alm. Brand Forsikring A/S and Alm. Brand Liv og Pension A/S:
 - Commission Delegated Regulation (EU) no. 2015/35 and related executive orders.

In delimiting which positions have a material impact on the company's risk profile, special weight will generally be attached to:

- The authority and/or lending authority conferred on the individual employees, as such employees are believed to be able to expose the company to financial risk, and such risk may be deemed to be of a material nature; and
- The leading role of the relevant employee in control or risk-mitigating functions.

General aspects of the delimitation of risk takers

Irrespective of whether a management board member or another designated risk taker performs tasks for several companies of the group but is only deemed to have a material impact on the risk profile of one of the group companies, the full employment relationship will be subject to the remuneration policy's rules on risk takers.

Other special functions, see clause 8 below

Employees performing auditing, control or actuarial functions are comprised by the rules on other special functions, see clause 8.1 below.

Managers and employees who, for the bank, sell or provide advisory services related to financial instruments to customers who are not professional customers or approved counterparties are also comprised by this remuneration policy with respect to the structure of any variable remuneration component, see clause 8.2. below.

Manager and employees engaged in advisory services and provision to consumers of credit secured against real estate are also comprised by this remuneration policy with respect to the structure of a variable remuneration component, if any, see clause 8.3 below.

Managers and employees who are comprised by the above special functions may also assume a risk-taker function.

A list of designated risk-taker positions is available from the Human Resources department.

3. General aspects of remuneration of members of the board of directors, the management board and employees

The basic principles and practices generally applicable to the determination of remuneration in Alm. Brand are:

- that the remuneration is intended to be commensurate with the tasks to be performed and the responsibilities involved in the position. Moreover, the remuneration is intended to be competitive with the remuneration of other, comparable positions in the financial sector;
- that the remuneration is structured so as to support a balanced, sustainable and long-term interest in the companies' and the group's continued performance and growth;
- that the remuneration is composed and structured so as to promote sound and efficient risk management and so as not to encourage excessive risk taking;
- that the remuneration is structured in manner which is not contrary to Alm. Brand's obligation to act in the best interests of the customers;
- that the remuneration is not solely or predominantly based on quantitative commercial targets and must in all respects take fully into account any appropriate qualitative targets having regard to a fair and lawful treatment of customers and the quality of services provided; and
- that, having due regard to compliance with the remuneration policy, the remuneration is structured so as to support Alm. Brand's strategy, Alm. Brand for the Customer.

Remuneration determined by collective agreement

As regards the majority of both managers and employees, the terms of employment are governed by collective agreements. These collective agreements comprise terms of remuneration, including provisions governing pension and social issues. Such remunerations comprised by collective agreements which consist of fixed and variable remuneration are not comprised by this remuneration policy.

Remuneration components, management board, managers and employees

The remuneration components are determined in accordance with the overall basic principles of remuneration.

- **Fixed remuneration**

The fixed remuneration consists of an appropriate fixed remuneration and related remuneration components such as pension, insurance schemes, etc. in accordance with the frameworks determined by the collective agreements. Moreover, employees and managers may, depending on their position and professional requirements, be awarded other appropriate remuneration accessories such as telephone and company car.

The fixed remuneration must be determined so as to ensure that, irrespective of any supplementary variable remuneration, it is reasonable relative to the responsibilities and tasks involved in the position. In general, any supplementary variable remuneration may make up only a small part of the total remuneration.

Benefits paid for by way of deduction from the gross salary

In accordance with legislation applicable from time to time, individual agreements may be made for a regular reduction of the fixed remuneration against making another benefit of a corresponding value available to the executive officer or the employee, respectively. Such other benefit could, for example, be shares in Alm. Brand A/S in accordance with section 7p of the Danish Tax Assessment Act.

- **Variable remuneration**

Subject to the limitations set out in items 5, 6, 7 and 8 below:

The basic principle of and practice applied in relation to variable remuneration not governed by a collective agreement is that the variable remuneration component is awarded for an extraordinary, major effort or, in accordance with the basic principles of remuneration in Alm. Brand, for a results-driven performance exceeding what can be expected relative to the targets defined.

Transparency is a requirement in the determination of variable remuneration. Any variable remuneration component is determined so that the matter for which the variable remuneration component is awarded is known to both the company and the employee.

Variable remuneration payable to managers and employees who do not hold a position qualifying them as material risk takers will be paid in cash and without any postponement.

4. Remuneration of board members

As part of the companies' annual reports, the board remuneration paid for the recently ended financial year is approved annually by shareholders at the annual general meeting or by the committee of representatives in the case of Alm. Brand af 1792 fmba.

Board members only receive a fixed remuneration in the form of a non-pensionable fee.

Board members are not eligible for any variable remuneration or participation in any incentive programme.

The remuneration paid to board members is intended to reflect the scope of the board work and the responsibility related to serving on the board.

Furthermore, the group seeks to ensure that the board remuneration is consistent with the market level for peer companies as reflected in publicly available surveys.

Contribution of the remuneration policy to Alm. Brand's business strategy, long-term interests and sustainability

The framework for the remuneration of board members set out in this remuneration policy provides for remuneration solely by way of a fixed fee. This will ensure predictability and transparency. The fixed fee model ensures that board members, unbiased by their own financial interests, will be able to focus their efforts on matters relevant to Alm. Brand, such as Alm. Brand's business strategy, Alm. Brand's long-term interests and the sustainability initiatives determined by Alm. Brand.

5. Remuneration of management board members

The remuneration of management board members is determined by the board of directors.

The boards of directors of Alm. Brand Forsikring A/S and Alm. Brand Liv og Pension A/S have delegated this authority to their chairmen.

Fixed remuneration

Management board members of Alm. Brand A/S and other companies receive a fixed basic remuneration which is intended to be commensurate with the tasks to be performed and the individual member's responsibility and to be competitive with the remuneration of other, comparable positions in the financial sector. In addition to this remuneration, the companies provide pension contributions, and the remuneration also includes a company car of an appropriate size, free telephone and other customary remuneration components (health insurance, health examinations and alarms).

Agreements may be concluded between the individual companies and the management board member that up to 10% of the remuneration may be allotted by way of shares in Alm. Brand A/S.

The remuneration of management board members is adjusted every two years.

Special rules applying to members of the management board of Alm. Brand A/S

Members of the management board of Alm. Brand A/S are remunerated solely by way of fixed remuneration. A fixed share of the remuneration is allotted by way of shares. Because the scheme is based on a fixed remuneration model, the allotment is not subject to any conditions.

Contribution of the remuneration policy to Alm. Brand's business strategy, long-term interests and sustainability

The framework for the remuneration of members of the management board of Alm. Brand A/S set out in this remuneration policy provides for remuneration solely by way of fixed remuneration components. This will ensure predictability and transparency. The fixed remuneration component model ensures that management board members, unbiased by their own financial interests, will be able to focus their efforts on Alm. Brand's business strategy, on Alm. Brand's long-term interests and on the sustainability initiatives determined by Alm. Brand.

For share option agreements concluded before 17 December 2014, transitional scheme.

Alm. Brand A/S and the management board of Alm. Brand A/S and other companies and their management board have concluded agreements before 17 December 2014 which stipulate that a fixed part of the fixed basic remuneration will be paid by way of share options.

The part of the fixed remuneration (excluding pension and other remuneration components) payable by way of share options totals 13%.

The agreements on the award of share options expired at the end of March 2016, after which they will not be renewed as fixed remuneration agreements.

6. Remuneration of risk takers

The immediate superior will determine the remuneration for each individual risk taker.

6.1. Risk takers who are members of Alm. Brand's group management or report directly to Alm. Brand's group management, Extended Management Team

Fixed remuneration

Risk takers who are also members of the group management or the Extended Management Team receive a fixed basic remuneration which is intended to be commensurate with the tasks to be performed and the risk

taker's responsibility and to be competitive with the remuneration of other, comparable positions in the financial sector. In addition to the fixed remuneration, the companies provide pension contributions, and the remuneration also includes a company car of an appropriate size, free telephone and other customary remuneration components (health insurance, health examinations and alarms). Agreements may be concluded between the individual companies and the individual risk taker that up to 10% of the remuneration may be allotted by way of shares in Alm. Brand A/S.

The remuneration is adjusted every two years.

For share option agreements concluded before 17 December 2014, transitional scheme.

The companies and their risk takers have concluded agreements before 17 December 2014 which stipulate that a fixed part of the fixed basic remuneration will be paid by way of share options.

The part of the fixed remuneration (excluding pension and other remuneration components) payable by way of share options totals 13%.

The agreements on the award of share options expired at the end of March 2016, after which they will not be renewed as fixed remuneration agreements.

6.2. Other risk takers

Fixed remuneration

Other risk takers receive appropriate fixed remuneration in the form of a fixed remuneration and various ancillary remuneration components such as pension, insurance schemes, etc. The remuneration is intended to be commensurate with the tasks to be performed and the risk taker's responsibility and to be competitive with the remuneration of other, comparable positions in the financial sector. Agreements may be concluded between the individual companies and the individual risk taker that up to 10% of the remuneration may be allotted by way of shares in Alm. Brand A/S.

Variable remuneration

Agreements on variable remuneration may be concluded between the management board of the individual companies and risk takers who are not members of the Extended Management Team if the management board of the relevant company deems that a variable remuneration is well suited to promote a balanced, sustainable and long-term interest in the company's and the group's continued performance and growth in accordance with the basic principles of remuneration set out in clause 3 above.

If an agreement on variable remuneration has been concluded, such remuneration will be granted subject to satisfaction of pre-defined criteria. The criteria are defined by the management board based on the companies' circumstances and financial position and with due consideration to the rules and restrictions of the regulations applicable from time to time in the area. The criteria as to how variable remuneration is earned and determined may be financial as well as non-financial and comprise requirements as to the risk taker's own actions, performance and results, the department's results and the company's results.

Variable remuneration is granted and subsequently transferred in accordance with the rules applicable from time to time for the granting of variable remuneration. The individual agreements with each of the risk takers thus contain the conditions for granting and final transfer of variable remuneration components set out in the regulations applicable from time to time. The agreements include the regulatory conditions for granting and transfer of granted variable remuneration in case of non-compliance with capital or solvency requirements and claw-back provisions subject to repayment conditions.

At the time of granting of a variable remuneration component, 50% of the variable remuneration will be in the form of shares issued by Alm. Brand A/S, whereas 50% will be in the form of cash.

Provided the criteria defined for granting of the variable remuneration have been satisfied in whole or in part, 60% of the variable remuneration component will be transferred to the risk taker in connection with the grant. The remaining variable remuneration granted will be postponed for transfer in equal portions over the next three years, provided the criteria defined for the grant were satisfied at the time of granting and provided other conditions set out in the regulations on transfer applicable from time to time have been satisfied, including that the risk taker has not participated in or been responsible for a conduct which has resulted in substantial losses for the Alm. Brand Group, that the risk taker has complied with appropriate requirements of suitability

and honesty, and that the financial position of the relevant company of the Alm. Brand Group has not been substantially impaired compared with the time of granting of the variable remuneration.

If the amount of the variable remuneration component granted is substantial, only 40% of the variable remuneration component granted will be transferred in connection with grant, whereas the remaining part will be postponed and transferred in equal portions over the next three years. The management board will assess on a case-by-case basis whether a variable remuneration granted is deemed to constitute a substantial amount. As a minimum, this will be the case if the total variable remuneration granted exceeds DKK 750,000.

For six months after the transfer of the granted shares to the risk taker, the risk taker may not deal with these, including sell them or in any way hedge the price risk associated with the shares.

The variable remuneration granted cannot exceed the total fixed annual remuneration of the risk taker.

7. One-off fees for executive officers and selected risk takers

In exceptional cases, it may be agreed to derogate from the provisions set out in clause 6 on variable remuneration. For executive officers, this only applies to executive officers of Alm. Brand Forsikring A/S, Alm. Brand Bank A/S and Alm. Brand Liv og Pension A/S.

It may be decided to award a one-off fee in cash without any postponement to an executive officer or a risk taker if the decision is based on a special operational need.

Any derogation from clause 6 is subject to the condition that the recipient does not receive more than DKK 100,000 in one-off fees each year under this provision. One-off fees may only be awarded to an executive officer by resolution of the company's board of directors. One-off fees may only be awarded to a risk taker by resolution of the company's management board.

One-off fees may only be awarded if the board of directors or the management board deems that it is appropriate to award the one-off fee without complying with the rules on postponement and retention applicable from time to time.

The reasons of the board of directors or the management board, respectively, for awarding one-off fees in cash without any postponement must be provided in writing.

8. Remuneration of employees in special functions

Special rules apply to the structure of any variable remuneration to employees comprised by the rules set out in this clause (clause 8). Some of the employees comprised by this clause may also be risk takers. For employees who are comprised by both the rules on risk takers and the rules on employees in special functions, the remuneration must comply with the provisions of both sets of rules.

8.1. Employees working in control, auditing or actuarial functions.

The immediate superior will determine the remuneration for each individual employee.

Fixed remuneration

Employees working in control, auditing or actuarial functions are remunerated by way of appropriate fixed remuneration and various ancillary remuneration components such as pension, insurance schemes, etc.

Variable remuneration

Employees involved in control, auditing or actuarial functions may be remunerated by way of appropriate variable remuneration in addition to the fixed remuneration. However, the variable remuneration may not be dependent on the performance of the department(s) in which the employees in question have a control function.

Actuaries employed in the companies' individual actuarial departments may be remunerated by way of appropriate variable remuneration in addition to the fixed remuneration. In such case, the variable remuneration will depend on the employee's role. However, the variable remuneration may not be dependent on the department's performance.

8.2. Employees who provide advisory services and/or sell financial banking products to retail customers

The immediate superior will determine the remuneration for each individual employee.

Employees who sell or provide advisory services concerning financial instruments comprised by Annex 5 to the FBA and others (see the FBA) may not receive variable remuneration components which are subject to the attainment of a sales target defining a sales volume of financial instruments to be achieved in relation to retail customers.

Employees who sell or provide advisory services concerning financial instruments to retail customers are remunerated by way of an appropriate fixed remuneration in the form of a fixed remuneration and various ancillary remuneration components such as pension, insurance schemes, etc. and may in addition to their fixed remuneration be remunerated by way of an appropriate variable remuneration component, provided the structure of the variable remuneration complies with the following requirements:

Criteria for attainment of variable remuneration must be determined so as to ensure that eligibility for the variable remuneration component is not dependent on the employee's attainment of a sales target defining a sales volume of financial instruments to be achieved in relation to retail customers (see the FBA).

8.3. Employees engaged in advisory services and/or provision to consumers of credit secured against real estate.

The immediate superior will determine the remuneration for each individual employee. The remuneration will be determined in such a way that it solely promotes, and does not hamper, the employee's interest in acting honestly and in accordance with the customers' best interest.

Employees engaged in advisory services and/or provision to consumers of credit secured against real estate are remunerated in a way that is independent of the number or proportion of home credit applications granted by the employee or the immediate department. A consumer is defined a person who in receiving advice on loans is acting primarily outside his business occupation.

9. Sign-on bonuses

In connection with the employment of executive officers and other risk takers, the companies and the relevant executive officers or risk takers, respectively, may conclude an agreement on the granting of sign-on bonuses. Sign-on bonus agreements will only be concluded if it is assessed that the agreement will support the company's growth.

Sign-on bonus agreements may only be made if the sign-on bonus meets the following criteria:

- The sign-on bonus agreement is concluded in connection with the appointment of the executive officer or the risk taker, respectively, to a position with the Alm. Brand Group;
- The sign-on bonus agreement concerns only the first year of employment;
- The sign-on bonus may not exceed an amount equivalent to one year's total remuneration; and
- The company in which the executive officer or the risk taker is employed has a healthy and solid capital base on the date of granting of the sign-on bonus.

10. Pension benefits

Management board members, risk takers and employees in special functions participate in ordinary defined contribution plans. No grants are made of pension benefits which are wholly or partly comparable with variable remuneration.

11. Guidelines for severance

Board of directors

No agreements on severance payment are made between the companies and the individual boards of directors.

Management board and other risk takers

The companies and the individual management board members may agree that the remuneration in the notice period including any agreed severance payment may total up to the equivalent of two years' remuneration including all remuneration components such as pension, share-based remuneration, value of company-paid car, etc.

The value of any agreed severance payment may not exceed the equivalent of one year's salary including all remuneration components.

Varying termination conditions may have been agreed with other selected risk takers, it being noted that the value of the individual remuneration components may not exceed the maximum value determined for the executive officers.

Irrespective of the above, the overriding general rule is that no agreements are made on severance payment on employment of managers or risk takers or in connection with their severance of service.

If the employment relationship is terminated due to material breach by a management board member or a risk taker, no severance payment will be effected.

Phase-out scheme

For a former management board member, an agreement has been made for a severance payment of up to 24 months' remuneration. This agreement expires in 2020.

12. Remuneration committees, boards of directors and control etc.

The boards of directors of Alm. Brand A/S and Alm. Brand Forsikring A/S will each set up a remuneration committee.

The remuneration committees are set up in accordance with the regulations applicable from time to time. The committees perform the tasks required by law from time to time, including the following tasks, which are specified in a set of rules of procedure:

- to recommend the remuneration policy for the board of directors, management board and other significant risk takers for approval by the board of directors;
- to make proposals to the board of directors on the remuneration to board members and management board members and ensure that such proposals are in compliance with the company's remuneration policy and the assessment of the performance of the individuals concerned;
- to monitor the remuneration of the management of the Risk Management department, the head of the Compliance function and the Group Chief Auditor; and
- to monitor that information in the annual report on the remuneration of the board of directors and management board is correct, true and adequate.

In the companies which have not set up a remuneration committee, the individual boards of directors are responsible for overseeing compliance with the remuneration policy. This implies that remuneration of the management of Risk Management, the head of the Compliance function and the Group Chief Auditor is correct and in accordance with the provisions of the remuneration policy.

On behalf of the individual boards of directors, Human Resources will perform controls to ensure that remuneration transfers are in accordance with the remuneration policy.

Guidelines for the individual boards of directors' review of the remuneration policy with a view to ensuring that it is aligned with developments in the individual companies are available from Human Resources. Guidelines for the control and monitoring tasks of the remuneration committees and the individual boards of directors' control of compliance with the remuneration policy are available from Human Resources.

In accordance with the compliance plan, Compliance oversees that the remuneration policy is in accordance with the regulations applicable from time to time.

13. Publication

This remuneration policy is published on the group's website.

In the oral report presented at the annual general meeting, the chairman of the board of directors provides an account of the remuneration of members of the board of directors and the management board. Such report must contain information about remuneration in the previous financial year and the expected remuneration for the current and next financial year.

The decision as to how the information relating to the remuneration policy should be published rests with the management board.

Such publication must meet the statutory requirements applicable from time to time.

14. Updating

Human Resources is responsible for updating the remuneration policy.

The remuneration committees are responsible for the preparatory work.

The remuneration policy is subject to annual approval by the board of directors.

15. Approval by the shareholders in general meeting

Upon consultation with Compliance, this remuneration policy has been approved at the meeting of the committee of representatives and annual general meetings, respectively, of the respective companies. Likewise, any amendments to the remuneration policy are subject to the approval at the companies' next meeting of the committee of representatives and annual general meetings, respectively.

16. Compliance with the remuneration policy

The Internal Audit department is responsible for revising the remuneration policy to reflect the restrictions following from clause 12 above, Remuneration committees etc.

This is done by:

- sample testing a number of specific remuneration agreements, including remuneration agreements that include variable remuneration schemes; and by
- reviewing compliance with other formal requirements of the remuneration policy.

Once annually, the Internal Audit department reports to the board of directors on the results.

As approved at the board meeting of Alm. Brand af 1792 fmba held on 2020

Chairman
Jørgen H. Mikkelsen

Deputy Chairman
Jan Skytte Pedersen

As approved at the board meeting of Alm. Brand A/S held on

2020

Chairman
Jørgen H. Mikkelsen

Deputy Chairman
Jan Skytte Pedersen

As approved at the board meeting of Alm. Brand Forsikring A/S held on

2020

Chairman
Kim Bai Wadstrøm

Deputy Chairman
Jan Skytte Pedersen

As approved at the board meeting of Alm. Brand Bank A/S held on 2020

Chairman
Jørgen H. Mikkelsen

Deputy Chairman
Jan Skytte Pedersen

As approved at the board meeting of Alm. Brand Liv og Pension A/S held on

2020

Chairman
Rasmus Werner Nielsen

Deputy Chairman
Kim Bai Wadstrøm