

Remuneration report

Alm. Brand A/S

Alm. Brand A/S is the parent company of the Alm. Brand Group, a Danish financial services group primarily engaged in the provision of insurances. The group's companies engage in non-life insurance, life insurance and pension insurance and – jointly with the group's business partners – cover the full range of their customers' financial needs.

The Alm. Brand Group's customers are private individuals, agricultural customers and small and medium-sized enterprises in Denmark. The fundamental idea behind the Alm. Brand Group is – and has since 1792 been – to create peace of mind for people and secure their assets.

The remuneration report

Pursuant to section 139b of the Danish Companies Act, the purpose of the remuneration report is to provide a total overview of the remuneration granted, or owing, to the individual members of management in the latest financial year by the Alm. Brand A/S Group.

Based on a recommendation from the Board of Directors and adoption by the shareholders in general meeting, the remuneration of the Board of Directors is unchanged from 2019 to 2020.

The Management Board of Alm. Brand A/S is remunerated solely by way of fixed remuneration. A fixed share of the remuneration is allotted by way of shares, see below. Because the scheme is based on a fixed remuneration model, the allotment is not subject to any conditions. This will ensure predictability and transparency. The fixed remuneration component model ensures that the Management Board member, unbiased by his own financial interests, will be able to focus his efforts on the Alm. Brand Group's business strategy, long-term interests and sustainability initiatives.

The fixed basic remuneration is intended to be commensurate with the tasks to be performed and the Management Board's responsibility and to be competitive with the remuneration of other, comparable positions in the financial sector. In addition to the fixed basic remuneration, the companies provide pension contributions, and the remuneration package also includes a company car of an appropriate size, company-paid telephone and other customary remuneration components (such as insurance schemes, see below).

Remuneration policy

The purpose of the Alm. Brand Group's remuneration policy is to ensure that the remuneration principles and practices of the Alm. Brand Group comply with the provisions of the Danish Companies Act and the rules governing financial enterprises. The purpose of the remuneration policy in relation to the Management Board and the Board of Directors is generally to attract, motivate and retain qualified members of the Management Board and Board of Directors in accordance with – and for the promotion of – sound and efficient risk management and the group's strategy, values and goals as well as the interests of customers and investors.

As stated below, the remuneration of the Management Board and the Board of Directors is determined in accordance with the Alm. Brand Group's remuneration policy and so as to ensure that it is commensurate with the tasks to be performed and the responsibilities involved. The remuneration is intended to be competitive with the remuneration of other, comparable positions in the financial sector. The remuneration is furthermore structured so as to support a balanced, sustainable and long-term interest in the individual companies' and the group's continued performance and growth.

In accordance with the remuneration policy, the remuneration to the Management Board and Board of Directors only includes fixed remuneration components and no variable remuneration components. This form of remuneration ensures transparency and predictability and that members of the Management Board and the Board of Directors, unbiased by their own financial interests, will be able to focus their efforts on the Alm. Brand Group's business strategy, sustainability and on the Alm. Brand Group's performance and long-term interests.

Special information on the remuneration of the Management Board

Remuneration 2020

The Management Board is composed of Rasmus Werner Nielsen, CEO.

As mentioned above, the remuneration to the Management Board only includes fixed remuneration components and consequently no variable remuneration components. The remuneration package comprises a fixed remuneration, fixed share remuneration, pension contributions, a company car, company-paid telephone and other non-wage benefits in the form of various insurance schemes as shown in the table below.

Until 18 June 2020, Rasmus Werner Nielsen received a pensionable temporary appointment bonus.

A fixed share of the remuneration is allotted by way of shares. As at 19 June 2020, this share represented 10% of the fixed remuneration. The shares are granted free of charge twice annually. The vesting and granting of the shares are not subject to any conditions, except that the vesting is conditional on the continued employment of the CEO. Ownership of the shares is transferred on grant.

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

In 2020, the total remuneration package to the Management Board amounted to DKK 8.4 million. The Management Board's remuneration is adjusted every two years, the next time in 2022. Remuneration of any kind must be in accordance with the remuneration policy adopted.

The remuneration policy does not allow for the use of variable remuneration of the Management Board, and therefore also does not allow for the recovery of any variable remuneration.

Alm. Brand A/S – Annual report 2020 – Governance

Resignation

As regards the resignation of the CEO, a mutual notice of termination of 12 months has been agreed as well as severance payments corresponding to 12 months' remuneration in the event of termination by the company without the CEO having given cause for termination.

In the event of the CEO's death, Alm. Brand will pay post-employment benefits corresponding to three months' salary to the CEO's beneficiaries.

Remuneration, CEO since 31 October 2019, Rasmus Werner Nielsen

2020	Sum of Total
Net remuneration	6,129,394
Share remuneration *	545,039
Personal bonus	29,400
Total pensionable remuneration	6,703,833
Company-paid pension contributions	1,396,977
Employee benefits	7,993
Holiday supplement	138,307
Company car	159,131
Total remuneration	8,406,242

** Share remuneration paid through*

3,677 shares representing a market value of DKK 204,750

4,812 shares representing a market value of DKK 340,289

2019 (31 October - December)	Sum of Total
Net remuneration	947,024
Share remuneration *	69,875
Personal bonus	10,750
Total pensionable remuneration	1,027,649
Company-paid pension contributions	226,083
Employee benefits	1,285
Holiday supplement	131,309
Company car	25,587
Total remuneration	1,411,913

** Share remuneration paid through*

In December 2019, after being appointed as CEO, Rasmus Werner Nielsen was granted 3,639 shares representing a market value of DKK 204,750, of which 1,255 shares granted at a market value of DKK 69,875 vested during his time as CEO.

Note:

In addition to the above-mentioned remuneration, Rasmus Werner Nielsen received holiday pay in the amount of DKK 530,758 in 2020.

The employee insurance scheme covers ATP, group life insurance, health insurance and dental insurance.

Remuneration, CEO until 30 October 2019, Søren Boe Mortensen

2019 (January - October)	Sum of Total
Net remuneration	5,142,064
Share remuneration *	668,468
Personal bonus	102,841
Total pensionable salary	5,913,373
Company-paid pension contributions	2,098,325
Employee benefits	6,246
Holiday allowance	242,964
Company car	185,203
Total remuneration	8,446,111

2018	Sum of Total
Net remuneration	6,368,713
Share remuneration *	788,125
Personal bonus	121,250
Total pensionable salary	7,278,088
Company-paid pension contributions	2,252,687
Employee benefits	7,477
Holiday allowance	184,963
Value of company car	258,416
Total remuneration	9,675,418

2017	Sum of Total
Net remuneration	5,650,000
Share remuneration *	734,500
Personal bonus	113,000
Total pensionable salary	6,497,500
Company-paid pension contributions	1,991,439
Employee benefits	7,421
Holiday allowance	168,957
Company car	249,459
Anniversary bonus	10,000
Total remuneration	8,924,776

* Share remuneration paid through
7,070 shares representing a market value of DKK 403,000
4,708 shares representing a market value of DKK 265,468 paid after Søren Boe Mortensen resigned as CEO

* Share remuneration paid through
5,638 shares representing a market value of DKK 385,125
6,947 shares representing a market value of DKK 403,000

* Share remuneration paid through
6,525 shares representing a market value of DKK 367,250
5,769 shares representing a market value of DKK 367,250

Note:

Post-employment remuneration of the CEO

In the calendar year 2019, Søren Boe Mortensen was granted a total of 14,233 shares representing a market value of DKK 806,000. The proportion of shares vested as CEO is stated above, it being noted that the total price of these shares was DKK 668,468.

In 2019, a provision of DKK 29.976 million was made in respect of remuneration and severance payments for Søren Boe Mortensen. The amount covers the period after 30 October 2019. The provision includes severance payments of DKK 17.9 million.

The employee insurance scheme covers ATP, group life insurance, health insurance and dental insurance.

Special information on the remuneration of the Board of Directors

Remuneration 2020

In April 2020, 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 for the coming year until the annual general meeting in 2021.

The members of the Board of Directors receive an annual basic fee by way of fixed remuneration. The Board of Directors receives no form of variable remuneration.

In addition, the Chairman and the Deputy Chairman and committee members receive a fee for membership of other committees as stated on the following pages.

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.

Board members are remunerated in accordance with the remuneration policy.

Alm. Brand A/S – Annual report 2020 – Governance

Board fees, 2020		Company					
Directorship	Name	Alm. Brand fmba	Alm. Brand A/S	Alm. Brand Forsikring A/S	Alm. Brand Bank A/S	Alm. Brand Liv og Pension A/S	Total
Chairman	Jørgen Hesselbjerg Mikkelsen	85,000	805,000	40,000	169,583	40,000	1,139,583
Deputy Chairman	Jan Skytte Pedersen	57,500	557,500	40,000	169,583	40,000	864,583
Member	Anette Eberhard		390,000	40,000	169,583	40,000	639,583
	Boris Nørgaard Kjeldsen	30,000	270,000		169,583		469,583
	Ebbe Castella		197,581		121,841		319,422
	Flemming Fuglede Jørgensen	30,000	270,000	40,000		40,000	380,000
	Karen Sofie Hansen-Hoeck		300,000				300,000
	Per V. H. Frandsen	30,000	270,000	40,000		40,000	380,000
	Pia Laub		103,226	8,065		8,065	119,355
Empl. representative	Brian Egested	30,000	270,000				300,000
	Claus Nexø Jensen	30,000	270,000				300,000
	Helle Låsby Frederiksen	23,226	209,032				232,258
	Lotte Kathrine Sørensen	6,855	61,694				68,548
	Susanne Larsen		275,000				275,000
Total		322,581	4,249,032	208,064	800,175	208,064	5,787,916

Note 2020

Fees for membership of the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for the Chairman and the Deputy Chairman by an amount of DKK 40,000 and for Anette Eberhard, chair of the audit committee, by an amount of DKK 90,000.

The directorships of CEO Rasmus Werner Nielsen are not listed, as Rasmus Werner Nielsen is not remunerated separately for directorships.

Ebbe Castella was a member of the boards of directors of Alm. Brand A/S, Alm. Brand Forsikring A/S and Alm. Brand Liv og Pension A/S and the Board of Alm. Brand FMBA until 28 February 2020 when Pia Laub replaced him.

Helle Låsby Frederiksen was a member of the Board of Directors of Alm. Brand A/S and the Board of Alm. Brand FMBA until 9 October 2020 when Lotte Kathrine Sørensen replaced her.

Susanne Larsen was a member of the Board of Directors until 30 November 2020. Susanne Larsen resigned from the Board of Directors in connection with the sale of Alm. Brand Bank A/S.

Alm. Brand A/S – Annual report 2020 – Governance

Board fees, 2019		Company					Total
		Alm. Brand fmba	Alm. Brand A/S	Alm. Brand Forsikring A/S	Alm. Brand Bank A/S	Alm. Brand Liv og Pension A/S	
Directorship	Name						
Chairman	Jørgen Hesselbjerg Mikkelsen	85,000	805,000	40,000	185,000	40,000	1,155,000
Deputy Chairman	Jan Skytte Pedersen	57,500	557,500	40,000	185,000	40,000	880,000
Member	Anette Eberhard		390,000	40,000	185,000	40,000	655,000
	Boris Nørgaard Kjeldsen	30,000	270,000		185,000		485,000
	Ebbe Castella		300,000		185,000		485,000
	Flemming Fuglede Jørgensen	30,000	270,000	40,000		40,000	380,000
	Karen Sofie Hansen-Hoeck		300,000				300,000
	Per V. H. Frandsen	30,000	270,000	40,000		40,000	380,000
	Empl. representative	Brian Egested	30,000	270,000			
	Claus Nexø Jensen	30,000	270,000				300,000
	Helle Låsby Frederiksen	30,000	270,000				300,000
	Susanne Larsen		300,000				300,000
Total		322,500	4,272,500	200,000	925,000	200,000	5,920,000

Note 2019:

Fees for membership of the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for the Chairman and the Deputy Chairman by an amount of DKK 40,000 and for Anette Eberhard, chair of the audit committee, by an amount of DKK 90,000.

CEO Søren Boe Mortensen's and CEO Rasmus Werner Nielsen's representation on boards of directors is not listed above as neither Søren Boe Mortensen nor Rasmus Werner Nielsen receives separate remuneration for directorships.

Alm. Brand A/S – Annual report 2020 – Governance

Board fees, 2018		Company					
Directorship	Name	Alm. Brand fmba	Alm. Brand A/S	Alm. Brand Forsikring	Alm. Brand Bank	Alm. Brand Pension	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
Empl. representative	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 membership of the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for the Chairman and the Deputy Chairman by an amount of DKK 40,000 and for Anette Eberhard, chair of the audit committee, by an amount of DKK 80,000.

Lars Christiansen was a member of the Board of Directors of Alm. Brand A/S and the Board of Alm. Brand FMBA until and including 22 March 2018 and was replaced by Claus Nexø Jensen from 23 March 2018.

Henrik Christensen was a member of the boards of directors of Alm. Brand A/S, Alm. Brand Forsikring A/S and Alm. Brand Liv og Pension A/S and of the Board of Alm. Brand FMBA 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 2020 – Governance

Board fees, 2017		Company					Total
Directorship	Name	Alm. Brand fmba	Alm. Brand A/S	Alm. Brand Forsikring	Alm. Brand Bank	Alm. Brand Pension	
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
Empl. representative	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 membership of the audit committee are included in the remuneration of the Board of Directors of Alm. Brand A/S for the Chairman and the Deputy Chairman by an amount of DKK 40,000 and for Anette Eberhard, chair of the audit committee, 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.

Comparison of annual change in remuneration and in the company's financial results etc.

Set out below are Alm. Brand A/S's pre-tax profits for the year and the year-on-year changes.

Then follows the total annual remuneration paid to each member of the Management Board and the year-on-year changes.

Next, the members of the Board of Directors of Alm. Brand A/S are listed with a specification of the year-on-year change in the total fees paid to the relevant board member for his or her membership of the boards of directors of the Alm. Brand Group, including committee work.

Lastly, the average remuneration of all employees of the Alm. Brand Group has been stated as an average per FTE.

Year	2020	Change	2019	Change	2018	Change	2017
Profit after tax in DKKm	616	36%	452	-21%	569	-30%	811
		164		-117		-242	

Year	2020	Change	2019	Change	2018	Change	2017
Remuneration, Management Board, Søren Boe Mortensen (resigned as CEO on 30/10/2019) in DKK thousands			8,446	-13%	9,675	8%	8,925
				-1229		750	
Remuneration, Management Board, Rasmus Werner Nielsen (appointed as CEO on 31/10/2019) in DKK thousands	8,406	495%	1,412				
		6,994					
Remuneration, Management Board, Rasmus Werner Nielsen (annualised)* in DKK thousands	8,406	2%	8,265				
		141					

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Year	2020	Change	2019	Change	2018	Change	2017
Remuneration, Chairman, Jørgen Hesselbjerg Mikkelsen in DKK thousands	1,140	-1% -15	1155	8% 85	1070	0% 0	1070
Remuneration, Deputy Chairman, Jan Skytte Pedersen in DKK thousands	865	-2% -15	880	11% 85	795	0% 0	795
Remuneration, board member, Anette Eberhard in DKK thousands	640	-2% -15	655	7% 45	610	0% 0	610
Remuneration, board member, Boris Nørgaard Kjeldsen in DKK thousands	470	-3% -15	485	8% 35	450	0% 0	450
Remuneration, board member, Ebba Castella (until 28/08/2020) in DKK thousands	319	-34% -166	485	8% 35	450	0% 0	450
Remuneration, board member, Flemming Fuglede Jørgensen (from 01/05/2018) in DKK thousands	380	0% 0	380	60% 143	237		
Remuneration, board member, Karen Sofie Hansen-Hoeck in DKK thousands	300	0% 0	300	9% 25	275	0% 0	275
Remuneration, board member, Per V. H. Frandsen in DKK thousands	380	0% 0	380	7% 25	355	0% 0	355
Remuneration, board member, Pia Laub (from 28/08/2020) in DKK thousands	119						
Remuneration, board member, Henrik Christensen (until 30/04/2018) in DKK thousands					118	-67% -237	355
Remuneration, employee representative, Brian Egested in DKK thousands	300	0% 0	300	9% 25	275	0% 0	275

Alm. Brand A/S – Annual report 2020 – Governance

Remuneration, employee representative, Claus Nexø Jensen (from 23/03/2018) in DKK thousands	300	0%	300	61%	186		
		0		114			
Remuneration, employee representative, Helle Låsby Frederiksen (until 09/10/2020) in DKK thousands	232	-23%	300	9%	275	0%	275
		-68		25		0	
Remuneration, employee representative, Lotte Kathrine Sørensen (from 09/10/2020) in DKK thousands	69						
Remuneration, board member, Susanne Larsen (until 30/11/2020) in DKK thousands	275	-8%	300	9%	275	0%	275
		-25		25		0	
Remuneration, board member, Lars Christiansen (until 23/03/2018) in DKK thousands					89	-68%	275
					-186		
Year	2020	Change	2019	Change	2018	Change	2017
Remuneration per year for employees of the group specified as an average per FTE ** in DKK thousands	721	4%	691	4%	662	3%	642
		30		29		20	

Note

* The line includes Rasmus Werner Nielsen's remuneration for the period 31 October 2019 to 31 December 2019 annualised to reflect one year's remuneration. The annualised figure was calculated by dividing the remuneration amount by two months and one day and multiplying it by twelve months.

** Because Alm. Brand A/S, the parent company of the group, only has three other employees in addition to the members of management, the average remuneration per FTE for Alm. Brand A/S is not a relevant or fair basis of comparison. Therefore, the average remuneration per FTE for all employees of the Alm. Brand Group has been used instead.

Statement by the Board of Directors

The Board of Directors has today considered and approved the remuneration report of Alm. Brand A/S for the financial year ended 31 December 2020.

The remuneration report is presented in accordance with section 139b of the Danish Companies Act.

In our opinion, the remuneration report is in accordance with the remuneration policy of the Alm. Brand Group as adopted by the shareholders at the annual general meeting and is free from material misstatement or errors.

The remuneration report is submitted to the vote of the shareholders at the company's annual general meeting.

Copenhagen, 3 March 2021

Board of Directors

Jørgen Hesselbjerg Mikkelsen
(Chairman)

Jan Skytte Pedersen
(Deputy Chairman)

Anette Eberhard

Flemming Fuglede Jørgensen

Pia Laub

Karen S. Hansen-Hoeck

Per V. H. Frandsen

Boris Nørgaard Kjeldsen

Brian Egested

Lotte Kathrine Sørensen

Claus Nexø Jensen

Independent Auditor's Report

To the shareholders of Alm. Brand A/S

We have examined whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2020.

Management's responsibility

Management is responsible for the preparation of the remuneration report in accordance with section 139b of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further Management is responsible for the internal control that the Board of Directors considers needed to prepare the remuneration report that is free from material misstatement and omissions, whether due to fraud or error.

Auditor's responsibility

It is our responsibility to express a conclusion on whether Management has fulfilled its obligations to disclose the information required by section 139b (3) of the Danish Companies Act in the company's remuneration report.

We have conducted our examinations in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our examinations included an examination of whether the remuneration report, to the extent relevant, includes the disclosures required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of Management.

Our examinations have not included steps to check or verify the accuracy and/or completeness of the information in the remuneration report and hence we do not express a conclusion on this.

Conclusion

It is our opinion that Management has fulfilled its obligations to disclose, in all material respects, the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2020.

Copenhagen, 3 March 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
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