Alm. Brand
HR

Midtermolen 7
DK-2100 Copenhagen Ø
Tel. +45 35 47 47 47
almbrand.dk

To The annual general meeting of Alm. Brand A/S

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Review of the remuneration policy of the Alm. Brand companies

This memorandum contains a review of the amendments of the remuneration policy adopted by the remuneration committee, which is recommended by the Board of Directors for adoption at the company's annual general meeting in 2022. The amendments are incorporated in the remuneration policy.

The amendments to the group's remuneration policy are motivated by different circumstances, including the following:

- After 1 March 2022, Alm. Brand Liv og Pension A/S is no longer a part of the Alm. Brand Group.
- Alm. Brand af 1792 fmba is no longer in the nature of being an insurance holding company.
- With a view to ensuring that Alm. Brand Forsikring A/S and Alm. Brand A/S, respectively may take over employees from Codan and comply with the obligations following from agreements entered into on variable remuneration for Codan employees, an appendix has been added to the remuneration policy providing a framework therefor. Reference to the appendix is included in clause 3.2 of the remuneration policy. The coming into force of the appendix is subject to approval of the acquisition and completion of the transfer.
- With a view to complying with orders issued by the Danish Financial Supervisory Authority concerning elaboration on the reasons for granting one-off fees and pension.
- The fact that the group no longer has employees who are covered by the rules on marketing, sales and advisory services in the field of investment products related to pension products in a bank.
- Editorial amendments.

Amendments to the remuneration policy

The Board of Directors recommends that the shareholders approve the remuneration policy for 2022 applicable to the financial enterprises of the Alm. Brand Group. The amendments made relative to the remuneration policy for 2021 are as follows:

As a result of the sale of Alm. Brand Liv og Pension A/S, which after 1 March 2022 is no longer a part of the Alm. Brand Group, the company is no longer covered by the remuneration policy. As a result of the fact that Alm. Brand af 1792 fmba currently does not have a controlling interest in Alm. Brand A/S and therefore does not carry on activities in the nature of an insurance holding company, Alm. Brand af 1792 fmba is also no longer covered by the remuneration policy.

Codan currently has its own remuneration policy. Codan is not covered by the remuneration policy of the Alm. Brand Group, as approval by the competition authorities of the acquisition and the completion thereof are still pending. After that, a joint remuneration policy may be adopted at the next general meetings of the respective companies. However, some of the proposed amendments have been made to ensure that the remuneration policy allows for variable remuneration for executive officers and risk takers at level 1 and level 2 (Extended Management Team), as the members of Codan's management and Management Board members are currently remunerated by way of variable remuneration, which Alm. Brand is required to uphold. The implementation of the amendment is subject to approval by the competition authorities.

In addition, a few editorial amendments have been made.

Re. clause 2, Eligible individuals, and clause 8, Remuneration of employees in special functions

The amendment concerns a removal of the existing restrictions as regards remunerating employees involved in providing sales and advisory services related to bank investment products by way of variable remuneration. The employees of Alm. Brand are no longer involved in providing sales and advisory services related to bank investment products. Consequently, the paragraph describing these rules has been removed from clauses 2 and 8.

Re clause 3: General aspects of remuneration of members of the Board of Directors, the Management Board and employees

A few purely editorial adjustments have been made. In clause 3, some clarifying amendments have been made. The remuneration policy provides access to granting variable remuneration to executive officers and risk takers transferring from Codan. This means that if an executive officer or a risk taker employed with Codan is transferred to a position with Alm. Brand, Alm. Brand's remuneration policy is designed to accommodate the Codan remuneration model.

Re. clause 4, Remuneration of board members

The paragraphs of this clause have been moved around so that the paragraph describing the remuneration policy's contribution to Alm. Brand's business strategy, long-term interests and sustainability comes first in clause 4 and thus provides a framework for the remuneration. The paragraph was introduced in connection with the new provisions in sections 139-139a of the Danish Companies Act a couple of years ago, stipulating that listed companies are required to provide information thereon in relation to the remuneration determined.

Re. clause 5, Remuneration of Management Board members

Clause 5 concerns remuneration of Management Board members in the respective companies covered by the remuneration policy. Like in clause 4, the paragraph describing the remuneration policy's contribution to Alm. Brand's business strategy, long-term interests and sustainability has been moved up so that the clause on remuneration of Management Board members begins with the description of the remuneration policy's contribution to Alm. Brand's business strategy, long-term interests and sustainability. The description has been adjusted, as it previously only concerned the Management Board of Alm. Brand A/S. The new description has been expanded to also include the Management Boards of other companies covered by the remuneration policy. A few purely editorial adjustments have been made, as well as an amendment following from the sale of Alm. Brand Liv og Pension.

Re. clause 7, One-off fees for executive officers and identified risk takers

Previously, it followed from the provisions of the Danish Companies Act that any variable remuneration granted to Management Board members of Alm. Brand A/S had to be approved in advance by the shareholders in general meeting. Back then a decision was made to exempt the Management Board of Alm. Brand A/S from being eligible to receive a one-off fee of up to DKK 100,000 due to the requirement for specific advance approval by the shareholders in general meeting. This rule has been amended, and the requirement is now that any variable remuneration component must merely be authorised under the remuneration policy approved by the shareholders in general meeting. It thus seems natural to place all executive officers and risk takers on an equal footing in relation to the possibility of receiving a one-off fee. As a consequence, the previous provision stipulating that Management Board members of Alm. Brand A/S cannot receive one-off fees has been removed.

Based on the Danish FSA's ordinary inspection conducted on 19-23 April 2021, the FSA issued an order against Alm. Brand Forsikring as the FSA does not find that Alm. Brand adequately accounts for the company's use of one-off fees of less than DKK 100,000.

The rules on remuneration of executive officers and risk takers are intended, among other things, to prevent the remuneration from supporting short-term risk taking on the company's behalf. Since the introduction of the rules, Alm. Brand has therefore pursued a practice ensuring that one-off fees are not triggered based on results-driven performance. This practice has now been incorporated in the remuneration policy. Based on the company's experience since the

introduction of the access to granting one-off fees, the granting of one-off fees may be required in the following two situations:

1. If the company wants to retain the recipient; and/or
2. If the recipient has made an extraordinary effort.

These two situations are therefore mentioned in the remuneration policy. The amended wording has been submitted to the FSA for approval. The FSA has taken note of the amendments made without any further remarks or demands for amendments.

Re. clause 10, Pension

The order issued by the FSA based on its ordinary inspection conducted on 19-23 April 2021 also covers the clause on the company's pension policy. In the order regarding pension policy, the FSA states that the company's remuneration policy does not determine a general pension policy, and the FSA requests an elaboration of what is stated in the remuneration policy, including information on the level of contribution, own contribution (if any) and whether the company has defined any targets for its pension policy. Based on the FSA's remarks, the heading has been changed from Pension benefits to Pension, and the information provided on pension benefits has been elaborated. The amended wording has been submitted to the FSA for approval. The FSA has taken note of the amendments made without any further remarks or demands for amendments.

Re. clause 11, Severance

The provision stipulating that agreements on severance payment are generally not made has been removed. At the same time, a provision has been inserted to the effect that severance payments do not reward negligence or inadequate performance, which the companies are required to oversee in accordance with Executive Order no. 16 of 4 January 2019. Indeed, this is in accordance with the practice pursued at Alm. Brand.