MEMORANDUM

Annual general meeting of Alm. Brand A/S to be held on 25 April 2013 – Re agenda item f: 1)
Proposal from the Board of Directors on approval of remuneration policy for the Alm. Brand Group

Comments on the revised remuneration policy, version of 2013

The remuneration policy must be revised once each year. A number of editorial adjustments with no substantive impact have been made in this year's review in addition to a few changes for the purpose partly of clarifying the rules and partly of inserting the option of awarding one-off fees, which was included in a revision of the Executive Order in early 2012. The regulatory framework remains unchanged.

Clauses 3 & 7

- The actuarial function has been included and will be comprised by the remuneration policy in future. This implies that the individuals previously referred to as having control functions are now referred to as having special functions, and they are now divided into the prior group of individuals having control functions and individuals having other special functions: actuaries.
    - The actuarial function is not stated in any act/executive order as one of the groups of employees to be comprised by the rules on remuneration policy. Still, an adjustment has been made of any variable salary to actuaries in section 11 of the executive order. That is why we have chosen to include this function.
    - The reason for the somewhat special status of actuaries is probably that in CEBS' guidelines the group of individuals comprised is broader than the group of individuals stated in the Danish implementing legislation. According to CEBS' guidelines, HR may also be comprised, but this is not reflected in the Danish rules, and we have consequently left this out.

Clauses 5 & 6

- The description of the previous ABKO bonus scheme has been deleted.

- In the description of the maximum salary component which the share bonus scheme may constitute, we have stated in relation to the maximum share of the salary that this calculation is based on the salary excluding pension and other salary components. To outsiders it may be a significant detail for understanding how large a portion of the total salary is actually comprised by the share option component.

- The description of how the fixed salary is determined has been amplified in accordance with the description of the determination of salary included in the section on Alm. Brand's corporate governance.

- A section has been added to enable the company exceptionally to award one-off fees in connection with extraordinary work-related strain. The intention is not to introduce variable salary as a fixed part of the salary. Under the Executive Order, a one-off fee of up to DKK 100,000 per annum may be awarded if the Board of Directors or the Management Board believes that an exception from the requirements of section 77a (1),(iii) and (iv) of the FBA, is warranted regarding target setting and payment deferral. With a view to utilising this option in exceptional circumstances when it seems appropriate, the clause has been added.

Clause 10

- The clause has been adapted to the updated rules of procedure clarifying the tasks of the committees.

It is **recommended** that the general meeting of Alm. Brand A/S approve the **attached** remuneration policy.

25 March 2013
Henrik Gundorph