Memorandum

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To The shareholders of Alm. Brand A/S

From Henrik Gundorph

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Re. agenda item f 2): Proposal from the Board of Directors on approval of remuneration policy for the Alm. Brand Group and general guidelines regarding incentive-based remuneration in Alm. Brand A/S, cf. section 139 of the Danish Companies Act.

The remuneration policy presented is a continuation of the remuneration policy adopted in 2015 with amendments and revisions as set out below.

Re clause 2
New category of employees comprised by the remuneration policy

At 1 March 2016, a new section 77 f of the Danish Financial Business Act became effective. Section 77 f provides that the individuals comprised by the remuneration policy be extended to include employees engaged in advisory services and provision to consumers of credit secured against real estate. Accordingly, the group of individuals comprised by the remuneration policy has been extended to include this category.

Identification of risk takers

We have decided to remove the list of designated material risk takers and the specification of special functions from the remuneration policy. We do this in part because it is not a requirement that the list of comprised positions is set out in the remuneration policy and in part because the list of risk takers in the bank has become long after the new rules on designation of risk takers became effective in 2014. As a result of this latter matter, any organisational changes during the year could result in the list of designated risk takers set out in the remuneration policy being inaccurate.

The list of designated risk takers will still exist and will still be kept by the HR department, which sees to it that it is updated at least once a year. The list can be obtained from the HR department. Moreover, the list of risk takers and the list of other special functions will still be available in Alm. Brand's management handbook, which is available to all managers in electronic form.

Re clauses 4 & 5
Structure of the fixed salary

In the respective sections on fixed salary, a provision has been inserted to the effect that up to 10% of the fixed salary may be allotted by way of shares in Alm. Brand A/S. It further states that it may be agreed that the shares are to be retained after the date on which the ABKO member and other risk takers have been awarded the right to such shares.

Variable salary for risk takers who are not members of ABKO

For risk takers who are not members of ABKO, the possibility of concluding an agreement on variable salary is retained. Substantively, the scheme has been amended to the effect that the applicable financial instrument is shares rather than share options. Several consequential amendments result from this amendment, as the changed instrument requires a separate retention period.

Re clause 7.3
This clause comprises the provision under section 77 f the Financial Business Act that the salaries of employees engaged in advisory services and/or provision to consumers of credit secured against real estate must be determined in a way that ensures the employee's interest in acting honestly and in accordance with the customers' best interest.

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Section 139 of the Danish Companies Act
As a listed company, Alm. Brand A/S is subject to section 139 of the Danish Companies Act.

Pursuant to section 139(1), a specific agreement on incentive-based remuneration of a Management Board member of Alm. Brand A/S is subject to the Board of Directors and shareholders having laid down general guidelines for incentive-based remuneration of members of the company's Management Board.

No incentive-based remuneration exists, as the members of the Management Board of Alm. Brand A/S are remunerated by way of fixed salary only. It has been decided that a fixed part of the fixed salary may be allotted by way of shares in Alm. Brand A/S. This share-based part of the salary will be described in accordance with section 139 of the Companies Act.

When approved by the shareholders, the below description of the scheme will be posted on Alm. Brand's website.

General guidelines regarding share-based remuneration
The remuneration policy of Alm. Brand A/S contains a description of the salary payable to members of the Management Board.

In accordance with the remuneration policy, members of the Management Board of Alm. Brand A/S are remunerated by way of fixed salary only. A part of the fixed salary may be allotted by way of shares in Alm. Brand A/S.

The part of the fixed salary allotted by way of shares, see the remuneration policy, may not exceed 10%.

The share component of the salary will be allotted twice a year at the share price prevailing in connection with the salary transfer.

The grant is not subject to any conditions, as the scheme, as stated, is part of a fixed remuneration model.

An agreement may be made between Alm. Brand A/S and the member of the Management Board which specifies that the Management Board member may not deal with or sell the shares acquired for a period of up to three years after being awarded the right to such shares.

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Recommendation for approval
On this basis, it is recommended that the shareholders of Alm. Brand A/S approve the enclosed remuneration policy for 2016 with the described amendments and the general guidelines regarding share-based remuneration.

Henrik Gundorph
Director, Human Resources