



## **GUIDELINES FOR APPOINTMENT OF RISK-TAKERS IN TRYG A/S AND TRYG FORSIKRING A/S**



# **GUIDELINES FOR APPOINTMENT OF RISK-TAKERS IN TRYG A/S AND TRYG FORSIKRING A/S**

## **Purpose**

The Supervisory Board shall identify other employees, whose activities have a material impact on the company's risk profile.

## **Update frequency and responsible**

The Guidelines is updated and approved once a year, or more frequently in the event of significant changes in the assumptions underlying the terms.

HR and the Remuneration Committee are responsible for the Guidelines and the these must be approved by the Supervisory Board.

| <b>Responsible:</b> | <b>Date of approval:</b> | <b>Effective date:</b> | <b>Approved by:</b> |
|---------------------|--------------------------|------------------------|---------------------|
| Claus Mikkelsen     | 25 January 2023          | 25 January 2023        | Supervisory Board   |
| Claus Mikkelsen     | 4 December 2023          | 4 December 2023        | Supervisory Board   |

# TABLE OF CONTENT

1 THE RULES ..... 3  
2 RISK-TAKERS IN TRYG ..... 3

# 1 THE RULES

The rules on remuneration are found in the EU Commission's Regulation 2015/35/EU (the Solvency II Regulation), IN the Danish Insurance Business Act, in the Danish Executive Order on remuneration policy and remuneration in insurance companies and insurance holding companies ( 'Executive Order on remuneration` ) and in the Remuneration Policy for Tryg, including the special rules concerning *employees whose activities have a material impact on the company risk profile* (hereinafter "risk-takers").

The Supervisory Board, the Executive Board and key persons (responsible for Risk management, Compliance, the Actuarial function and Internal audit) are always risk-takers.

The Supervisory Board shall identify *other employees*, whose activities have a material impact on the company's risk profile. This identification shall take into consideration the company's size and organisation as well as the scope and complexity of the company's activities.

The risk-taker concept shall be interpreted broadly and includes both direct and indirect influence on the company's risk profile. The criteria for identification of risk-takers should take into account the different types of risks the company may encounter, just as the employee's responsibility, power and organisational placement should be part of the assessment.

As a rule, pursuant to the Executive Order on Remuneration, the following are considered to be risk-takers:

- 1) The Head of a controlling function
- 2) The Chief Internal Auditor
- 3) The Chief Actuary
- 4) The Head of the insurance area and managers of units under the insurance area
- 5) The Head of reinsurance, and
- 6) The Head of the Investment area

as well as other employees with a salary exceeding EUR 500,000 and the 0.3 per cent highest paid in the company – both based on the preceding financial year.

# 2 RISK-TAKERS IN TRYG

The Supervisory Board has adopted "Policy and guidelines for risk management in Tryg" as well as the underlying risk policies for Insurance-related risks, Operational risks and IT security, Outsourcing, Investments and Partial internal model.

In these policies, the Supervisory Board has decided on risk appetite and limits to risk tolerance. This has been included in guidelines to the Executive Board and the rest of the organisation in the form of business procedures and descriptions of competences.

According to the Supervisory Board's assessment, appointment of risk-takers shall be made in the light of these policies, and consequently, as a starting point, an employee should not be considered a risk-taker if the assumption of risk is made in such a controlled environment, according to the business procedures, that a possible risk would fall within the adopted risk framework, as it will not affect the risk profile of the company.

In addition to taking into account the risk profile, it is the assessment of the Supervisory Board that the placement of the employee/function in Mercer's IPE system (International Position Evaluation) in Tryg can be taken into consideration. By using the IPE placement, an objective assessment of the position in question is used of the influence, impact, complexity and responsibility in the organisation and the assessments are calibrated against similar positions in the market. Thereby any operational risks, which the employee may impose on Tryg, are also taken into account.

On the basis of these circumstances, the Supervisory Board has made the following assessment:

*The Executive Board and key persons*

The Executive Board and key persons are still risk-takers.

*Executive Leader Forum (ELF) (the managers of the insurance area)*

ELF is considered to be "the managers of the insurance area", cf. the terminology of the Executive Order on Remuneration, and due to their placement in the organisation and IPE placement ELF is considered to be risk-takers.

### Managers of units under the insurance area

Based on Tryg's risk profile and according to the adopted policies on this subject "managers of units under the insurance area" are generally not considered to be risk-takers.

Managers in this group, who are placed as Vice Presidents (VP) are, however, considered to be risk-takers due to the IPE placement of these positions and consequently their both direct and indirect influence on the organisation.

### Other functions

The following functions are considered to be risk-takers:

| Function, cf. The Executive Order on Remuneration | Function in Tryg                                                                                                                                                                                                 |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Head of a controlling function                    | The Heads of Risk Management, Compliance, the Actuarial function and Internal audit (key persons).<br><br>Other control functions: The Chief Security Officer (CSO) and the Corporate IT Security Officer (CISO) |
| The Chief Internal Auditor                        | The Chief Auditor (Also responsible for Internal Audit)                                                                                                                                                          |
| The Chief Actuary                                 | There are no Chief Actuaries in non-life companies                                                                                                                                                               |
| Head of Reinsurance                               | Head of Reinsurance                                                                                                                                                                                              |
| Head of Investments                               | Chief Investment Officer (is transferred to Tryg Invest A/S, however 10 per cent of the employment remains in Tryg Forsikring)                                                                                   |
| Head of the Tax Department                        | Head of Group Accounting DK                                                                                                                                                                                      |
| Head of Legal Department                          | Head of Legal                                                                                                                                                                                                    |
| Head of HR Department                             | Head of HR (HR SVP)                                                                                                                                                                                              |
| Head of IT Department                             | Head of Simplification/Tryg IT                                                                                                                                                                                   |
| Head of Financial Department                      | Head of Group Accounting DK and Head of Finance SE                                                                                                                                                               |

The Supervisory Board does not find in general that any other functions/employees should be appointed risk-takers. Furthermore, the Supervisory Board has decided that the following specific functions are excepted from the risk-taker concept, as final also decisions of a significant nature are made by managers appointed risk-takers:

- Head of Payment (remuneration control) in DK, who refers to the Head of Group Accounting DK
- HR managers in DK, SE and NO
- Managers of the legal departments in SE and NO
- Head of External Communication in Tryg
- Underwriters in Corporate
- Employees in Reinsurance

### Process

At least once a year, the Supervisory Board shall review the "Guidelines for appointment of risk-takers".

Also, at least once a year, the Supervisory Board shall decide whether any other employees/functions than those which have been appointed in general pursuant to these guidelines, need to be specifically appointed as risk-takers in Tryg, including:

- Employees with a total remuneration corresponding to 500,000 EUR or more in the preceding financial year.
- Other employees among the 0.3% of the company employees who received the highest total remuneration in the preceding financial year.
- Functions/employees within all the areas listed in outlines/tables above, who may have a material impact on the company risk profile. However, as a starting point, the Supervisory Board finds that no other employees than those in the functions already pointed out should be able to assume significant risks.

Tryg Forsikring A/S  
Klausdalsbrovej 601  
2750 Ballerup

Cvr: 24260666