



**TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE OF
TRYG A/S AND TRYG FORSIKRING A/S**



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TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE OF TRYG A/S AND TRYG FORSIKRING A/S

Purpose

According to the Solvency II regulation and the Danish financial regulation Tryg shall have a Remuneration Committee. The Committee shall prepare the Tryg A/S and Tryg Forsikring A/S Supervisory Board's decisions on remuneration, including Remuneration Policy and other related decisions, which may have an impact on the risk management of the companies.

Update frequency and responsible

The Terms 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 Terms and the terms must be approved by the Supervisory Board.

Responsible:	Date of approval:	Effective date:	Approved by:
Claus Mikkelsen	25 January 2023	25 January 2023	Supervisory Board
Claus Mikkelsen	4 December 2023	4 December 2023	Supervisory Board

1 BASIS

The Supervisory Board of Tryg A/S and Tryg Forsikring A/S has formed a common Remuneration Committee for Tryg A/S and Tryg Forsikring A/S pursuant to section 13 of the rules of procedure and the Solvency II regulation and the Danish Executive Order on remuneration policy and remuneration in insurance companies and insurance holding companies (‘Executive Order on remuneration’).

The Remuneration Committee has 4-5 members, who are elected by and from the members of the Supervisory Board of Tryg A/S. The Remuneration Committee is chaired by the Chair of the Supervisory Board. In addition, the Committee shall include at least one member who is both a member of the Supervisory Board of Tryg A/S as well as the Supervisory Board of TryghedsGruppen, at least one member who is not affiliated with TryghedsGruppen, and at least one member who has been elected employee representative in the Supervisory Board.

The composition of the Remuneration Committee shall be in such a manner that the Remuneration Committee possesses the necessary knowledge, qualifications and competences to understand and monitor the remuneration policy, practice, risk management and controlling activities of the companies, particularly in respect of adaptation of the remuneration structure of the companies to the risk profile of the companies and administration of capital and liquidity and is able to make a qualified and independent assessment of whether the remuneration of the companies, including remuneration policy and related procedures, are in compliance with article 275 of the Solvency II regulation, the rules of the Executive Order on remuneration, the Danish Insurance Business Act and Section 139a and b of the Danish Public and Private Limited Companies Act (*Selskabsloven*).

2 MEETINGS

The Remuneration Committee has three to four scheduled meetings a year. Once a year, the committee approves an annual calendar for the work of the committee. Any member of the Remuneration Committee may call for an extraordinary meeting if the Chair has been informed.

The secretary of the committee and the HR Director prepare the agenda in consultation with the Chair. The agenda and all relevant material is sent to the committee in due time before the meeting.

At the meetings – in addition to the members – other members of management may attend at the request of the committee. Other participants, including external experts, may be requested to attend, if necessary.

The Remuneration Committee does not have any autonomous decision-making authority as the committee prepares decisions for the whole of the Supervisory Board to decide. Consequently, the committee only makes decisions forming the basis of a recommendation to the Supervisory Board. The committee shall form a quorum when half of the members of the committee, including the Chair of the committee, are present. All decisions are made by a simple majority. In case of a tied vote, the vote of the Chair shall decide.

In special cases, the committee may receive information or make decisions on a written basis – including by email – or at a telephone conference.

The secretary of the committee prepares the minutes from the committee meetings and the minutes are sent to the members of the committee for approval.

3 PURPOSE AND CONTENT

The work of the Remuneration Committee is based on the Solvency II Regulation, the Danish Insurance Business Act, the Executive Order on remuneration, Section 139 a and b of the Danish Public and Private Limited Companies Act, Recommendations for Corporate Governance and the Remuneration Policy of the companies.

Based on this, the Remuneration Committee shall prepare the Tryg A/S and Tryg Forsikring A/S Supervisory Board’s decisions on remuneration, including Remuneration Policy and other related decisions, which

may have an impact on the risk management of the companies. In the preparatory work, the Remuneration Committee shall handle the long-term interests of the companies, also in relation to investors and public interest.

In this connection, the Remuneration Committee shall:

- Provide advice to the Supervisory Board on the preparation of the remuneration policy of the companies, aid the Supervisory Board in complying with the remuneration policy of the companies in practice and assess whether the remuneration policy of the companies is updated, including provide any suggestions for update of the remuneration policy.
- Assess whether the processes and systems of the companies are adequate and take into account the risks of the companies, including risks relating to management of capital and liquidity in respect of the remuneration structure of the companies as well as ensure that the remuneration policy and practice is compliant with and promotes a sound and effective risk management and compliant with the business strategy, objective, values and long-term interests of the companies. In this connection, the Remuneration Committee may ask for a statement from the Risk Committee.
- Ensure that the independent controlling functions and other relevant functions are involved to such an extent as is necessary for carrying out the tasks of the Remuneration Committee and if necessary seek external counsel.
- Help to prepare the annual remuneration report
- Prepare recommendations to the Supervisory Board as to which employees the company considers to be Risk-Takers.
- Prepare recommendations to the Supervisory Board about which elements should be included in the remuneration of the Supervisory Board, the Executive Management and the Head of Internal Audit as well as the amount of the specific remuneration. In this connection, the Remuneration Committee must prepare the variable salary programme (INP programme) for the Executive Board and ensure that the targets defined contribute to Tryg's business strategy, long-term interests and sustainability (also using ESG targets) in connection with the determination of the variable pay components.
- Perform back-testing of deferred variable salary to the Executive Management.
- Assess the total results of the companies and business units and ensure that the Executive Management has evaluated the result criteria forming the basis of the variable salary to Risk-Takers. In this connection, the Remuneration Committee shall perform randomised controls of the allotment of variable salary and backtesting of deferred variable salary.
- Keep check on the remuneration of the persons responsible for Compliance, Internal Audit, Risk Management and the Actuarial function.
- Monitor that the information in the annual report on remuneration of the Supervisory Board, the Executive Management and Risk-Takers is correct, true and adequate, and that the information presented at the Annual General Meetings on the remuneration policy and practice of the companies is adequate for the Annual General Meetings to make a well-informed decision.
- Ensure that the Supervisory Board is informed of the market level of remuneration paid to supervisory boards and executive managements of company peers, and, on behalf of the Supervisory Board, ensure practice is followed in the area in order to make sure that any new forms of remuneration are discussed and considered by the Supervisory Board.
- The Remuneration Committee discusses other issues in relation to remuneration, which are relevant to the Supervisory Board, including share schemes.

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