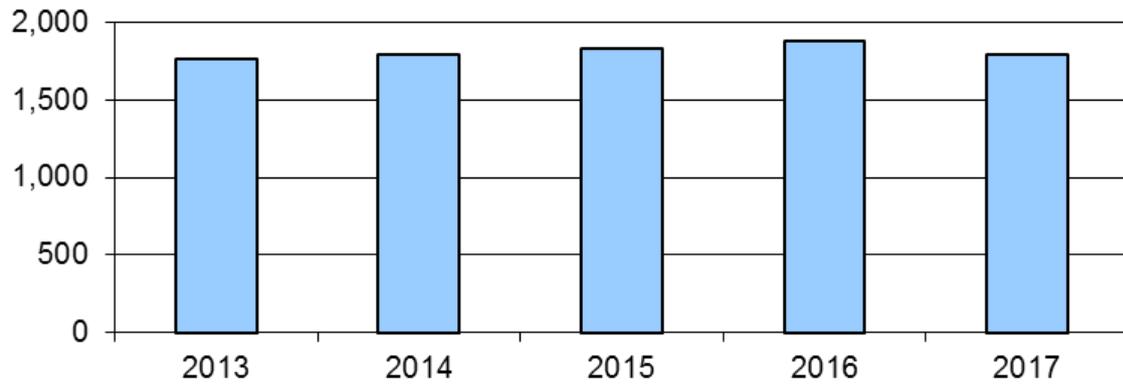


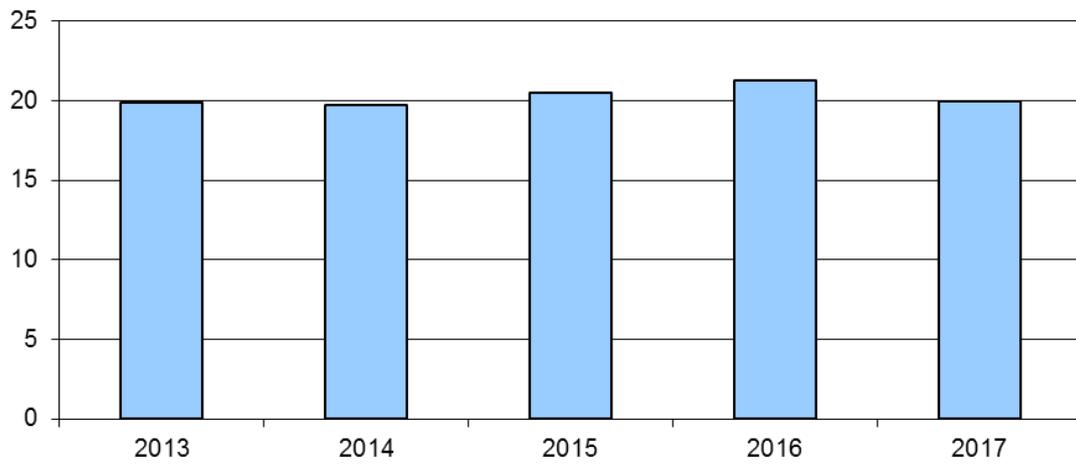
Remuneration in the Topdanmark Group

Remuneration policy, Options, Employee shares and Management remuneration

**Non-life insurance group
Payroll costs (DKKm)**



**Non-life insurance group
Payroll costs as a percentage of premium income**



Remuneration policy of the Topdanmark Group – Adopted at the AGM on 12 April 2018

Objectives

Topdanmark's remuneration policy is intended to optimise long-term value creation at Group level. The expected value creation at Group level is reflected in the share price, which is one of the reasons why Topdanmark believes that the granting of share options rather than individual bonuses generally encourages the executives to be more holistic in their approach to value creation.

Besides a policy on salaries, the remuneration policy also includes Topdanmark's general guidelines for performance-related pay, its pension policy and its guidelines for the granting of severance pay.

Those covered by the salary policy

In accordance with the Executive Order on salary policy and remuneration in insurance companies and insurance holding companies ("the Order"), Topdanmark's remuneration policy covers the Board of Directors, the Executive Board, and other employees whose activities significantly impact Topdanmark's risk profile ("Significant Risk Takers") and, as provided by the Order, employees involved in control functions and audit work in all of the financial services companies and financial holding companies of the Topdanmark Group. If specifically stated in the remuneration policy, Topdanmark's remuneration policy also covers its executive team, comprising a number of the heads of business sectors and administrative departments ("the Friday Team"), and certain other employees at the discretion of the Board of Directors.

Significant Risk Takers

The Order provides that generally Significant Risk Takers are:

1. Employees defined as key staff pursuant to section 71(3) of the Danish Financial Business Act ("FBA")
2. The manager of a control function
3. The Head of Internal Audit

4. The Head of Actuarial Services
5. The Head of Insurance and the managers of units under Insurance (at Topdanmark, this comprises the heads of the business areas and claims handling)
6. The Head of Re-assurance
7. The head of Asset Management
8. Employees who received a total salary of EUR 500,000 or more in the previous financial year and
9. Employees among the top 0.3% Topdanmark employees who received the highest total salaries in the previous financial year.

On the basis of these criteria, the Board of Directors regularly decides which employee groups are to be defined as Significant Risk Takers in Topdanmark.

A list of Significant Risk Takers in Topdanmark will be prepared. The list will be regularly updated and the Board of Directors will ensure it is updated at least once a year, together with a review and control of the remuneration policy and the observance of it.

Remuneration to the Board of Directors

The remuneration paid to the Board of Directors is based on a fixed basic cash remuneration adopted by the shareholders at the Annual General Meeting. The Chairman of Topdanmark A/S receives triple and the Deputy Chairman double the ordinary remuneration. The Chairman of the Audit Committee receives three quarters of the basic remuneration, while the other members of the Audit Committee receive half of the basic remuneration. The members of the Remuneration Committee receive one quarter of the basic remuneration. The members of the Nomination Committee receive no separate remuneration for performing the duties of this committee.

No separate remuneration is paid for directorships in the subsidiaries of the Topdanmark Group. However, the Chairman and Deputy Chairman receive remuneration for performing the chairmanship duties of Topdanmark Forsikring A/S (non-life insurance) representing 50% and 25%

respectively of their basic salary, and the Board members of Topdanmark Livsforsikring A/S (life insurance) elected by employees receive a fixed cash remuneration adopted by the shareholders at the general meeting of Topdanmark Livsforsikring A/S.

The Board of Directors is not granted options or any type of variable salary.

Remuneration of the Executive Board, Friday Team and Significant Risk Takers

The remuneration paid to the Executive Board and Friday Team is based on a fixed basic remuneration, of which a fixed proportion, i.e. 10% of (the total of cash remuneration + pension + the value of a company car), is paid as share options. The Board of Directors may decide to pay performance-dependent bonuses as partial alternative or supplement to the fixed basic remuneration to one or more members of the Executive Board. The performance-dependent bonuses will be contingent upon the Director's fulfilment of a number of performance objectives set by the Board of Directors. The variable pay for a Director can represent no more than 50% of the Director's fixed basic remuneration inclusive of pension.

No additional performance-dependent bonuses are paid to the Executive Board, Friday Team or Significant Risk Takers. If an executive or Significant Risk Taker receives variable pay as remuneration, the remuneration will be considered in accordance with current rules applicable for variable pay, which will i.a. entail instrument requirements, deferral of payment of part of the remuneration, provisions for lack of payment, in case of Topdanmark's non-observance of the solvency requirement and provisions for claw back. These terms will be stated in the agreement with the executive/Significant Risk Taker.

The fixing of the fixed basic salary paid to the Executive Board and the Friday Team is based on a specific assessment of the employee. In its assessment, Topdanmark includes, among others, the following factors:

1. Position
2. Individual characteristics

3. Performance

No employee is entitled to use personal hedging strategies or salary and responsibility-related insurance to undermine the hedging effects included in their terms of remuneration.

Performance-related pay

At the general meeting, the shareholders have adopted general guidelines for performance-related pay in accordance with Section 139 of the Danish Companies Act. The guidelines for performance-related pay are applicable to all Topdanmark employees. To the extent, the Executive Board and/or Significant Risk Takers receive variable pay the granting will be within the limits of the current rules on variable pay, which will i.a. entail instrument requirements, deferred payment of part of the remuneration, provisions for non-payment in case Topdanmark fails to meet the solvency requirement and provisions for claw back. These terms must be stated in the contracts with the executive management/Significant Risk Takers.

Besides options, which in accordance with the revolving option scheme are paid to the Executive Board and the Friday Team, the Executive Board may grant a total of up to 200,000 options to employees who have made special efforts or otherwise contributed extraordinarily to the value creation in the Company.

General guidelines for performance-related pay

Performance-related pay in Topdanmark may comprise:

- options to buy shares in Topdanmark A/S ("call options")
- options to subscribe for shares in Topdanmark A/S
- employee shares
- one-off cash payments for an extraordinary effort
- performance-dependent bonus by way of cash payment, shares in Topdanmark A/S or options to buy or

subscribe for shares in Topdanmark A/S (for Executive Board only)

The granting of performance-related pay to an employee is based on an assessment of the employee's contribution to the value creation in Topdanmark.

When granting performance-related pay in addition to options under the revolving option scheme, the Executive Board attaches importance to whether the employee has contributed more to the overall value creation than could reasonably be expected considering the employee's position and pay level. The assessment of the Executive Board is based on an overall evaluation of whether the employee has met the success criteria in the job description, including the value creation generated by the employee in relation to customers, employees and shareholders. Other criteria are the independence, adaptability, ability to take initiative and the interpersonal skills of the employee. Recommendations of granting of performance-related pay are submitted to the Executive Board by the heads of the business areas and the chiefs of staff. The Executive Board will make decisions based on the specific recommendations.

Option conditions

The options are issued at the beginning of a financial year entitling the holder to buy or subscribe for shares in Topdanmark at a strike price equivalent to the market price on the last trading date in the prior financial year plus 10%. The options may not be exercised any earlier than subsequent to the publication of the first interim results announced three years after the options were acquired. Except for cases where insider rules prevent an option holder from exercising his /her options at the end of the period of exercise - in which case the exercise may be postponed to the first exercise window where insider rules no longer prevent the holder from exercising his / her options - the options may not be exercised any later than three banking days after the publication of the Annual Report for the previous year five years after the options were acquired. In the intervening period the options may be exercised up until three

banking days following Topdanmark's publication of its annual, half-year and interim reports.

The value of the options will be calculated on the basis of the Black-Scholes model.

The options are covered by Topdanmark's holding of own shares.

Pension policy

The Board of Directors receives no pension contribution from Topdanmark. No special pension contribution is paid to the Executive Board, which has been taken into consideration by paying a personal allowance of 25% of the cash salary. Consequently Topdanmark has no pension commitments for the Executive Board and they are not granted any type of pension compensation on retirement.

The Friday Team and Significant Risk Takers receive pension contribution of up to 25% of their cash salary. The amount is paid to the pension supplier and consequently all pension obligations are fully covered by the pension supplier.

Guidelines for severance pay

In order to ensure full loyalty, focus and performance for Topdanmark during the period until a potential take-over is finalised, Topdanmark has agreed with a few members of the Executive Board and the Friday Team, that under certain circumstances, they will receive compensation in the form of an extended period of notice and increased severance pay, if they resign or are dismissed, or if their position is made redundant because Topdanmark and/or the company of the Topdanmark Group where the member is employed is taken over by or merges with a company outside the Group, or if one or more owners take control of Topdanmark and/or the company of the Topdanmark Group where the member is employed. The maximum amount of compensation will represent two years' salary.

Additionally, Topdanmark offers severance pay in accordance with legislation, as set out in an employment contract or in specific cases as has been individually agreed upon adhering close to the guidelines of the Danish Salaried Employees Act. The maximum amount of the overall severance pay will represent two years' salary.

Control functions

The salary system of Topdanmark has been designed to prevent any conflicts of interest meaning that, among other things, employees in control functions may not receive payments which are dependent on the function they control, if they receive performance-related pay pursuant to the provisions of the current remuneration policy.

Remuneration Committee

The Board of Directors has decided to set up a joint Remuneration Committee in Topdanmark A/S for the companies which are legally required to set up a Remuneration Committee. The members of the Remuneration Committee shall comprise two to three Board members appointed at the first Board meeting after the Company's Annual General Meeting. The composition of the Remuneration Committee shall enable its members to make a qualified and independent assessment of whether remuneration in Topdanmark is accordance with relevant legislation.

The Board of Directors adopts rules of procedure and a working plan for the

Remuneration committee. The Board of Directors shall regularly, and at least once a year, reconsider these Rules of Procedure to ensure that they continue to meet the governance standard of statutory requirements and good practice etc.

Review/updating of remuneration policy

The Board of Directors shall regularly, and at least once a year, review this remuneration policy in order to ensure that it continues to meet and be consistent with the statutory requirements, Topdanmark's business strategy, values, long-term goals and the principles of customer and investor protection as well as being in line with and promoting healthy and efficient risk management.

The remuneration policy and any changes of it must be approved by the shareholders at the general meeting.

Options

For 2018 Topdanmark has granted 185,525 share options to its Executive Board and a number of executives. The strike price of DKK 296 was fixed at 110% of the market price of Topdanmark's shares on 29 December 2017 (average of all trades).

Besides the revolving scheme, above a further 125,750 share options have been granted for 2018 to a number of other executives who have made special efforts or otherwise contributed extraordinarily to the value creation in the Company.

Share options granted	Executive Board	Senior Executives	Total
2014	86,950	394,486	481,436
Market value of those options granted (DKKm)	2	8	10
2015	67,782	295,118	362,900
Market value of those options granted (DKKm)	2	8	10
2016	71,860	335,600	407,460
Market value of those options granted (DKKm)	2	8	10
2017	96,416	351,971	448,387
Market value of those options granted (DKKm)	2	8	10
2018	49,216	262,059	311,275
Market value of those options granted (DKKm)	2	9	11

The options granted for 2018 may not be exercised any earlier than subsequent to the publication of the 2020 Annual Report in 2021 and no later than subsequent to the publication of the 2022 Annual Report in 2023. In the intervening period, the options can only be exercised up to three banking days subsequent to Topdanmark's publication of its annual, half-yearly or quarterly reports.

The market value of the options for 2018 has been calculated at DKK 11m at the time of granting.

The value was calculated using the Black and Scholes model based on a share price of DKK 268.73, an interest rate corresponding to the zero coupon rate based on the swap curve on 29 December 2017, future annual volatility of 22% and a pattern of exercise similar to Topdanmark's previous granting of share options, see IFRS 2 on share-based payments.

At the end of September 2018, the exposure of the options held by the Executive Board represented 0.2% of the number of outstanding shares

Share options / warrants issued		
Year	Options / Warrants	Strike price (DKK per share)
2014	481,436	138.0
2015	362,900	201.0
2016	407,460	196.0
2017	448,387	178.0
2018	311,275	277.0

Employee shares

Up to and including 2012, Topdanmark issued employee shares to employees in Topdanmark. Due to a change in tax rules, it is no longer advantageous to receive employee shares, and Topdanmark has therefore stopped issuing them.

On 1 November 2016 and 1 November 2017 Topdanmark offered its employees share-based payment and will do so again on 1 November 2018, against a corresponding reduction in salaries.

At 30 September 2018, employees etc. owned 4.77% of shareholders' equity.

Management remuneration

Topdanmark shares held by Board of Directors and Executive Board at 30 September 2018

Shareholding Number	Executive Board 1,721	Board of Directors 9,499
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Topdanmark share options held by executives

Exercise period	Strike	Allocated	Outstanding	Total exercised	Exercised July 2018
2017-19	157	144,068	20,489	123,579	-
2018-20	220	116,280	42,331	73,949	-
2019-21	215	131,307	131,307	-	-
2020-22	197	171,204	171,204	-	-
2021-23	296	121,960	121,960	-	-

Trading in Topdanmark's shares by insiders

Topdanmark is required to report the details of the trading in its shares by the senior management and their connected persons when the total, accumulated, annual market value of this trading exceeds EUR 5,000. Each transaction must be published, stating the name of the employee concerned.

