

General guidelines for incentive pay to members of the Supervisory Board and Executive Management of TrygVesta A/S

1. Background and scope

Supervisory Board

The Supervisory Board of TrygVesta A/S does not receive incentive pay.

Executive Management

The general guidelines for incentive pay with respect to members of the Executive Management have been defined by the Supervisory Board of TrygVesta A/S pursuant to section 69 b of the Danish Public Companies Act. The guidelines must be considered and approved by the company's shareholders at the annual general meeting.

The guidelines apply to members of the Executive Management of TrygVesta A/S, defined as the individuals from time to time registered with the Danish Commerce and Companies Agency as members of the Executive Management of TrygVesta A/S (in the following referred to as the "Executive Management members" or the "Executive Management"). The guidelines apply to the remuneration received by the Executive Management members for work performed for TrygVesta A/S as well as for other companies controlled by TrygVesta A/S (in the following referred to as the TrygVesta Group).

Overall, incentive pay to the Executive Management members is used to ensure optimum incentives to achieve a good performance for the company in the short as well as the longer term, including to ensure that the Executive Management members focus on increased value creation.

The Supervisory Board has opted to use only well-known and transparent types of remuneration to ensure maximum openness with respect to incentive pay.

Specific incentive pay agreements made with individual Executive Management members after adoption of these guidelines will be subject to the guidelines. The Supervisory Board emphasises openness with respect to the Executive Management's remuneration, and the specific remuneration to each Executive Management member broken down on incentive elements used will be disclosed in the annual report for the following year.

The amount and composition of the incentive pay for each Executive Management member will depend on a number of factors, including the overall performance of the TrygVesta Group. Other factors include the individual efforts and performance of each Executive Management member in terms of specific benchmarks for the balanced scorecard perspectives (financial, customer, processes and learning) in the business area for which the Executive Management member is responsible.

When defining specific bonus and option programmes, the Supervisory Board must ensure that their contents, including the specific benchmarks, do not create incentives for the Executive Management that are not aligned with the interests of TrygVesta A/S. This is ensured, among other things, by setting clear targets for granting incentive pay and by defining specific limits for the amounts that can be triggered as incentive pay.

2. Performance-related bonus – Variable salary

The Supervisory Board may grant the individual Executive Management members an annual bonus. The maximum value of the bonus is one fourth of the fixed salary including pension in the year of grant; and a maximum of one third for the Group CEO.

The amount of the annual bonus is subject to the Executive Management member achieving a number of pre-defined clear targets. The assessment of whether the individual Executive Management member has achieved these targets includes the overall performance of the TrygVesta Group. Other factors include the individual efforts and performance of each Executive Management member in terms of specific benchmarks for the balanced scorecard perspectives (financial, customer, processes and learning) in the business area or organisational business unit for which the Executive Management member is responsible. The benchmarks reflect the strategic focus areas of the Group and the individual business areas, and may include growth, profitability, cost reduction, customer satisfaction, customer loyalty, image, processes, communication, employee satisfaction and development, and innovation.

In addition, the Supervisory Board may resolve to offer the Executive Management extraordinary bonus programmes and/or performance-related contracts. Such programmes may have a term of one year, and bonus may be triggered by the occurrence of a specific event. The value of such extraordinary bonus programmes and/or performance-related contracts may not exceed 100% of the Executive Management member's fixed annual salary including pension for each financial year.

The Supervisory Board may resolve to implement the above bonus grants by offering the Executive Management member shares in TrygVesta A/S at a discount to the market price for a limited period of time in the year of grant against payment of an amount determined by the Supervisory Board. The Supervisory Board may also resolve to give the individual Executive Management member the option of receiving the amount in cash.

The Supervisory Board may elect to grant shares at a discount to the market price pursuant to section 7H of the Danish Tax Assessment Act which means that the Executive Management member's gain is taxed at the lowest possible rate and that the costs of the grant are non-deductible for the company. If section 7H of the Danish Tax Assessment Act is not applied, tax will be charged pursuant to section 28 of the Danish Tax Assessment Act which gives deductibility to the company.

3. Options

The Supervisory Board may once a year grant the individual Executive Management members options to purchase or subscribe shares (warrants) in TrygVesta A/S.

Such grants are made taking into consideration the Executive Management member's position and responsibilities, as well as for considerations of loyalty and motivation.

The estimated present value of the options granted may not exceed 50% of the Executive Management member's fixed annual salary including pension at the time of grant for each financial year. The estimated present value of the options is calculated using the Black & Scholes model and in accordance with the calculation methods used in the International Financial Reporting Standards (IFRS).

At the time of grant, the exercise price for the options may not be lower than the market price at the time of grant.

On exercise of the options, the value may not exceed an amount equal to 200% of the Executive Management member's fixed annual salary including pension at the time of exercise for each batch of options granted. The value is calculated as the difference between the market price at the time of exercise and the price at which the options were granted. If the value exceeds 200% of the Executive Management member's fixed salary including pension, the number of options exercisable by the Executive Management member will be reduced accordingly. The remaining portion of the options will lapse.

Options cannot be exercised earlier than three years after the date of grant and not later than five years after the date of grant. Exercise must take place during the open trading windows in connection with interim and full-year profit announcements for TrygVesta A/S.

In the event that the Executive Management member terminates his or her employment and such termination is not due to material breach on the part of the TrygVesta Group, in the event that the TrygVesta Group terminates the Executive Management member due to breach, or in the event of the TrygVesta Group's summary dismissal for cause of the Executive Management member, any options remaining unexercised at the time of severance of service will lapse. Such options lapse automatically without notice at the time of severance of the Executive Management member's service, unless otherwise agreed in writing.

The Supervisory Board may elect to grant options pursuant to section 7H of the Danish Tax Assessment Act which means that the Executive Management member's gain is taxed at the lowest possible rate and that the costs of the grant are non-deductible for the company. If section 7H of the Danish Tax Assessment Act is not applied, tax will be charged pursuant to section 28 of the Danish Tax Assessment Act which gives deductibility to the company.

4. Employee programmes

The Supervisory Board may resolve that, on a par with other employees, Executive Management members will receive employee shares, employee bonds or other general employee bonus programmes offered to the employees of the TrygVesta Group as a general programme pursuant to section 7A of the Danish Tax Assessment Act under certain defined criteria. The value of such programmes may not exceed the defined limits for such tax-free grants from time to time.

5. Shares for the programmes

Shares for the programmes described in 2-4 above may be obtained from share buybacks or from TrygVesta's treasury share portfolio.

Shares for the programmes described in 4 above may also be obtained by utilising the authorisation in the articles of association for the Supervisory Board to increase the share capital by issuing new shares.

6. Effective date, publication and amendment of guidelines

These guidelines were approved by the shareholders at the annual general meeting of TrygVesta A/S held on 3 April 2008.

At the same time, the following article 21 was inserted in the articles of association of TrygVesta A/S:

"The company has defined guidelines for incentive pay to members of the Supervisory Board and Executive Management. The guidelines have been considered and approved by the shareholders at the company's annual general meeting on 3 April 2008 and are available at the company's website."

The guidelines will be posted at TrygVesta's website www.trygvesta.com without undue delay after the general meeting at which they were approved.

Specific agreements on incentive pay with the Executive Management can at the earliest be concluded the day after posting of the approved guidelines on TrygVesta's website www.trygvesta.com.

Specific agreements for incentive pay with the Executive Management introduced, changed or extended after the annual general meeting of the company on 3 April 2008 must comply with the requirements of these guidelines. If the Supervisory Board of TrygVesta A/S wishes to introduce, change or extend incentive pay programmes that cannot be comprised within the scope of the existing guidelines, the Supervisory Board must obtain prior approval from the shareholders to change the existing guidelines for incentive pay.

Adopted at the meeting of the Supervisory Board held on 25 February 2008.

The Supervisory Board of TrygVesta A/S

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