

Competency and diversity policy



1 Validity and maintenance

Validity

This Policy applies to all legal entities and business areas of the Tryg Group defined as Tryg A/S and all subsidiaries ("Tryg") and is effective from October 2018 when approved by the Supervisory Boards of Tryg A/S and Tryg Forsikring A/S. The Supervisory Board of Tryg Livsforsikring subsequently adopts the Policy.

Maintenance

The Policy must be updated and approved at least annually or more frequently in case of significant changes in the assumptions underlying the Policy.

2 Background

The Supervisory Board of each company must always ensure that its members have adequate collective knowledge, competencies and experience to understand the company's activities and associated risks, see section 64(1) (Fit & Proper) and section 70(4) of the Danish Financial Business Act (*Lov om Finansiell virksomhed*).

Section 70(1)(iv) of the Danish Financial Business Act stipulates that financial undertakings must ensure sufficient diversity of qualifications and competencies among the Supervisory Board members and prepare a policy to promote such diversity.

The Recommendations on Corporate Governance recommends that, in the selection of candidates, the Supervisory Board should ensure sufficient diversity, see clause 3.1.2.

This Policy should be seen in conjunction with the CR Policy of the Tryg Group, providing for targets for women on the Supervisory Board, the Supervisory Board's Rules of Procedure, providing, inter alia, for an annual self-evaluation of the Supervisory Board members, and the Company's Fitness and Propriety (Fit and Proper) Policy.

3 Purpose

The purpose of the Policy is to ensure that, when recruiting new Supervisory Board members, the Supervisory Board promotes the necessary diversity and the necessary competencies in the Supervisory Board.

4 Qualifications and competency profile

The Articles of Association of Tryg A/S and Tryg Forsikring A/S prescribe that at least half of the Supervisory Board members must be selected from among candidates that

are neither (i) members of the Committee of Representatives, the Supervisory Board or the Executive Board of TryghedsGruppen smba, nor (ii) have a business or professional relationship with TryghedsGruppen smba nor (iii) have family relations with the persons mentioned.

Moreover, based on the Tryg business model and strategy, the Supervisory Board has specified the following requirements for the Supervisory Board's competencies:

Personal competencies*

- Intellectual approach
- Independent mindedness
- Interpersonal competencies
- Integrity
- Inclination to engage

Supervisory Board competencies **

- Business understanding and judgement
- Problem-solving skills
- Networking skills
- Risk management understanding
- Ability to assess succession scenarios

Operational competencies ***

- General top management experience
- Finance and/or auditing experience
- HR/management/talent/organisational experience
- Business development experience
- Financial sector experience
- Risk management and regulatory requirement experience
- Insurance experience – technical (underwriting, provisions, reinsurance)
- Insurance experience – commercial & product

Strategic competencies ***

- Digital experience
- Experience with new business models
- Customer relations and interaction experience

*All Supervisory Board members must always possess

** Each Supervisory Board member must over time possess

*** Directionally, each Board member must possess 4 of these competencies at a basic level or 2 of these competencies at an advanced level.

A detailed competency profile is attached to this Policy as Appendix 1.

Special requirements apply to the Chairman of the Audit Committee and for at least one member of the Audit Committee to have qualifications in accounting or auditing.

5 Specific targets and initiatives

As part of the preparation of the annual general meeting and the nomination of the Supervisory Board's candidates for the Supervisory Board, Tryg's Nomination Committee for Tryg A/S and Tryg Forsikring A/S will assess whether the Supervisory Board's qualifications and competencies in these companies reflect the desired diversity. The Nomination Committee includes the results of the Supervisory Board's most recent self-evaluation and the overview of the members' competencies and the Supervisory Board's succession planning prepared in this connection. On this basis, the Nomination Committee then prepares a recommendation to the overall Supervisory Board on the proposed candidates for the Supervisory Board election at the general meeting, which will be considered in conjunction with the approval of the final recommendation of candidates for the annual general meeting, at the latest. As regards the members selected at the recommendation of TryghedsGruppen smba, the Supervisory Board annually sends this Policy, with a description of the required qualifications and competencies, to the Supervisory Board of TryghedsGruppen smba in order for this to be included in TryghedsGruppen smba's considerations in terms of the nomination of candidates.

The Nomination Committee recommends the nominated candidates for the Supervisory Board.

As regards the other subsidiaries of the Group, the assessment specified above is made by the Executive Board of Tryg Forsikring A/S.

6 Training of Supervisory Board members

All new Supervisory Board members must complete the statutory training for new Supervisory Board members.

If individual Supervisory Board members, the Nomination Committee or the Executive Board of Tryg Forsikring A/S (in relation to directorships in the Group's subsidiaries) assess that a Supervisory Board member, the members of a Supervisory Board committee or the overall Supervisory Board should acquire new knowledge or new competencies, the Supervisory Board may decide to initiate training, using either resources from Tryg or external instructors. The need for training is assessed continuously and at least once a year in connection with the self-evaluation.

7 Responsibility

The Supervisory Board is responsible for the preparation of and compliance with this Policy, including ensuring that the Supervisory Board has adequate knowledge, competencies and experience, and for the recruitment of new candidates for the Supervisory Board, always respecting that Supervisory Board members are finally

elected by the Annual General Meeting in accordance with Tryg's Articles of Association.

Approved at the Supervisory Board meeting held on 10 October 2018.



Appendix 1 Competency and diversity policy

Board Competency Model and Definitions

- General knowledge (all sectors)
- Financial Services specific knowledge
- Insurance specific knowledge

Board Intrinsic	Definition
Intellectual Approach	Ability to handle complexity, focus issues on the essential to make logical decisions; comfort with ambiguity; ability to look ahead; ability to transfer to different environments
Independent-Mindedness	Ability to set out and defend a position, even when this means going it alone; ability to manage the resultant conflict situations to maintain positive relationships.
Interpersonal Skills	Has an “in-check” ego; fulfills power needs outside of the boardroom Ability to build relationships, influence, gain trust and support from others; ability to use diplomacy and tact; ability to listen / adjust to others’ input
Integrity	Impeccable reputation. Adherence to appropriate and effective set of core values, and ability to live by these; honest and truthful; authentic, self-aware and confident enough to ‘be oneself’.
Inclination to Engage	Motivation to invest time and effort in learning and staying up to date; diligent enough to follow through with commitments. Authentic, self-aware and confident enough to ‘be oneself’.

Board Competencies	Definition
Business Judgement	Reads broadly on general business and governance issues with a strategic and forward looking perspective
Problem Solving	Analytical acumen, ability to frame issues based on creative and conceptual thinking
Networking	Willingness to provide contacts from his or her personal network to benefit the company or assist the executive team
Risk Management	Understanding of the three lines of defence and governance of risk
Succession Management	Comprehension of contingency planning against strategic scenarios

* Competencies marked with * are comprised in the Board Composition Benchmarking (next section)

Operational Competencies	Definition
General Management (c-level) * ■	Complex leadership experience including leading leaders across multiple markets
CFO/Audit * ■	Finance and accounting principles, IFRS, corporate finance, capital structure, asset/liability
People & Organisation ■	Organisation design and governance, development, performance management and talent management
Business Development ■	Strategy process, ongoing innovation, disciplinary excellence, M&A, structure and processes optimisation, IT systems and operations, outsourcing
Financial Services* - trends and competitive arena in core markets ■	Understanding of broader financial services and competitive landscape adjacent to core business incl. product/service offerings
Risk and Regulatory Compliance ■	Experience with analysis, implementation and refinement of risk management structures. Comprehension of legal/regulatory requirements/mechanisms governing insurance activity including capital requirement, solvency, etc.
Insurance * - technical ■	Experience with pricing of risk, actuarial science, underwriting and reinsurance – including long-tail liability
Insurance* - commercial; trends and competitive arena in core markets ■	Understanding of industry dynamics across all core markets (DK, SE, NO) as well as comprehension of core products/offerings (non-life insurance, guarantee, credit insurance, etc)

Strategic Competencies	Definition
Digitalisation* ■	Insights on IT architecture/infrastructure; application of big data / internet of things; automation/robotics/AI/ML
Value Chain Optimisation ■	Insights on strategic alliances & partnership; evolution and disruption of the business model
Customer Journey ■	Insights on leading customer centricity and optimising life cycle management

The Relevant Director Must fit on all Three Levels

Required Level of Expertise

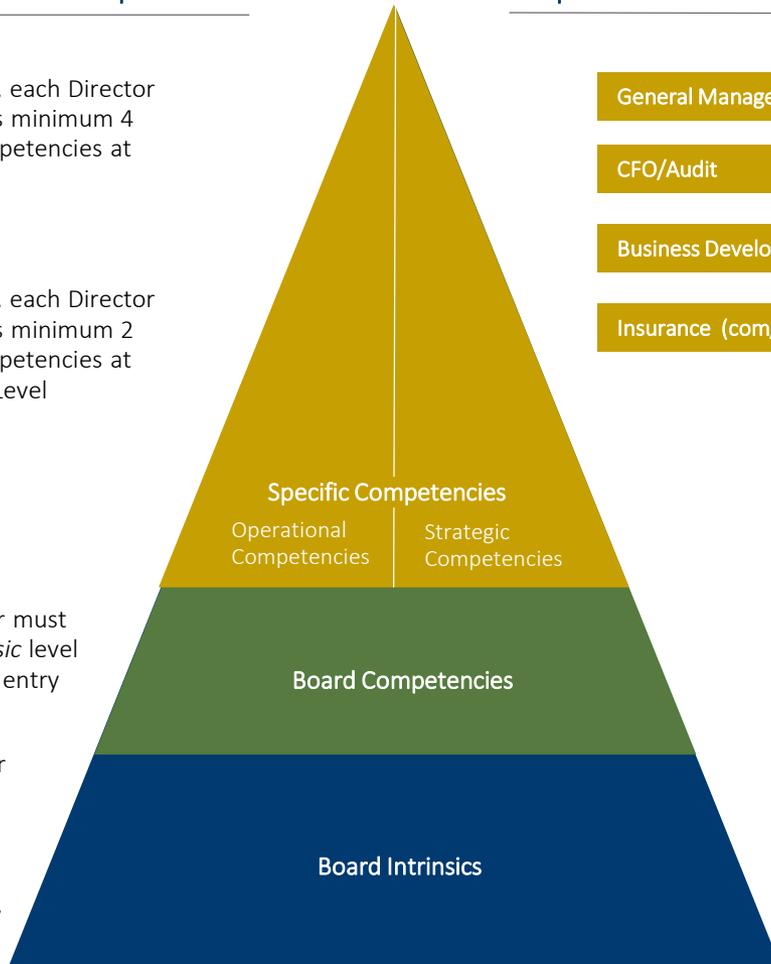
Directionally, each Director must possess minimum 4 Specific Competencies at *Basic* * Level

Or

Directionally, each Director must possess minimum 2 Specific Competencies at *Advanced* * Level

Each Director must qualify at *Basic* level from time of entry

Each Director must fully qualify at *Advanced* * level from time of entry



Competencies and Attributes

General Management

CFO/Audit

Business Development

Insurance (com/tech)

People & Organisation

Financial Services

Risk & Regulatory Comp

Digitalisation

Value Chain Optimisation

Customer Journey

Business Judgement

Problem Solving

Intellectual Approach

Independent Mindedness

Networking

Risk Management

Succession Management

Interpersonal Skills

Integrity

Inclination to Engage

- Requirement levels are illustrated on the next page

Assessment of Prospective Board Members

EXAMPLE OF ASSESSMENT OF BOARD RELEVANCE

Board Intrinsic

Intellectual Approach	Basic	Advanced	Expert		
Independent Mindedness	Basic	Advanced	Expert		
Interpersonal Skills	Basic	Advanced	Expert		
Integrity	Basic	Advanced	Expert		
Inclination to Engage	Basic	Advanced	Expert		

Specific Competencies - Operational

General Mngt (c-level)	Basic	Advanced	Expert		
CFO /Audit	Basic	Advanced	Expert		
People & Organisation	Basic	Advanced	Expert		
Business Development	Basic	Advanced	Expert		
Financial Services	Basic	Advanced	Expert		
Risk and Regulatory Compliance	Basic	Advanced	Expert		
Insurance (com/tech)	Basic	Advanced	Expert		

Board Competencies

Business Judgement	Basic	Advanced	Expert		
Strategic Thinking	Basic	Advanced	Expert		
Networking	Basic	Advanced	Expert		
Risk Management	Basic	Advanced	Expert		
Succession Management	Basic	Advanced	Expert		

Specific Competencies - Strategic

Digitalisation	Basic	Advanced	Expert		
Value Chain Optimisation	Basic	Advanced	Expert		
Customer Journey	Basic	Advanced	Expert		

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| Level of expertise - definitions | No scoring | - prospect has no knowledge of criteria |
| | Basic | - prospect presents basic knowledge/expertise of criteria |
| | Advanced | - prospect presents advanced knowledge/expertise of criteria |
| | Expert | - prospect is considered a specialist/subject matter expert |