

## 8. Salaries and remuneration

The average number of employees in the Group was 3,634 (3,740).

### The Board's statement on the stipulation of pay and other remuneration

#### Gjensidige's remuneration policy

The Group has established a remuneration system that applies to all employees. The system is meant to secure that Gjensidige attracts and keeps colleagues who performs, develops, learns and shares. The remuneration shall be competitive, but the Group shall not be a wage leader. Employees are expected to see the remuneration and benefits offered by the Group as an overall whole. The Group's remuneration systems shall be open and performance-based, so that they, as far as possible, are perceived as being fair and predictable. The remuneration that is paid shall correspond to the agreed performance.

Guidelines for remuneration and career development shall be linked to achievement of the Group's strategic and financial goals and core values, and both quantitative and qualitative targets shall be taken into consideration. The measurement criteria shall promote the desired corporate culture and long-term value creation, and, as far as possible, take actual capital costs into account. The remuneration system shall contribute to promoting and providing incentives for good risk management, sustainable value creation, prevent excessive risk-taking and contribute to avoiding conflicts of interest. A fixed basic salary shall be the main element of the overall remuneration, which also consists of variable remuneration, pension, insurance and payments in kind. Variable remuneration shall be used to reward performances that is agreed through performance agreements or that exceeds expectations, where both results and behaviour in form of compliance with the core values, brand and management principles are to be assessed.

Variable remuneration shall be performance-based without being a risk driver, and shall reflect the results and contributions on company, division, department and individual level. Other elements of compensation offered should be considered attractive from both new and current employees. There is an upper limit for variable remuneration.

The senior group management is defined as senior executives and they are responsible for activities that may be critical to the company's risk exposure. The level of remuneration will take into account both qualitative and quantitative criteria for their role, as well as an individual assessment of their impact on the company's risk.

#### Decision-making process

The Board has established a remuneration committee consisting of three members; the Chairman of the Board and two board members.

The remuneration committee shall prepare matters for consideration by the Board. It is primarily responsible for:

- The Board's annual statement of Gjensidige's remuneration policy
- The annual evaluation of and matters concerning salary and other remuneration to the CEO
- The annual evaluation of and matters concerning salary and remuneration to the company's internal auditor
- Guidelines for salary and other remuneration to senior executives
- Statement of determining salary and other remuneration to senior executive, including
  - Guidelines for determining salary and other remuneration for the upcoming financial year
  - Guidelines for the Management Salary Policy that has taken place during the previous financial year, including how the guidelines for

the executive salary determination have been implemented

- An account of the management salary policy that has taken place during the previous financial year, including how the guidelines for the executive salary determination have been implemented
- Other important personnel matters relating to executive personnel
- The Board's treatment of completed HR processes, including talent and successor development and strategic manpower management

### Guidelines for the upcoming financial year

#### Remuneration of the CEO

The CEO's salary and other benefits are stipulated by the Board on the basis of an overall assessment that takes into account Gjensidige's remuneration scheme and market salary for corresponding positions.

The fixed salary is assessed and stipulated annually on the basis of the wage growth in society in general and in the financial industry in particular. Variable remuneration (bonus) is decided by the Board on the basis of agreed goals and deliveries. It can amount to up to 50 per cent of the fixed salary including holiday pay. Variable remuneration is earned annually and is based on an overall assessment of financial and non-financial performance over the last two years. Variable remuneration is not included in the pension basis. The assessment takes into account the enterprise's overall performance targets for return on equity adjusted for dividends related to distribution of excess capital and transactions and combined ratio, as well as developments in customer satisfaction. In addition, it emphasizes the CEO's personal contribution to the Group's historical and future results and wealth creation, compliance with the Group's vision, values, ethical guidelines and management principles.

Variable remuneration relating to Gjensidige's performance is decided on the basis of the past two years' performance. Half of the variable remuneration is paid in the form of a contingent promise of shares in Gjensidige Forsikring ASA, 1/3 of which will be released in each of the following three years. Restricted variable remuneration that has not yet been disbursed may be reduced if subsequent results and developments indicate that it was based on incorrect assumptions. The CEO does not receive performance-based benefits over and above the above-mentioned bonus but may receive payments in kind such as a car arrangement and the coverage of costs for electronic communication. Payments in kind shall be related to the CEO's function in the Group, and otherwise be in line with market practice.

The retirement age of the CEO is 62. It is possible to retire after the age of 60 if the Board or CEO so wishes. The CEO has pension rights pursuant to Gjensidige's closed defined-benefit pension scheme. Pursuant to the CEO's employment contract, he is entitled to a pension corresponding to 100 per cent of his annual salary on retirement at the age of 62, which is then reduced in steps to 70 per cent upon reaching the age of 67 at full vesting period.

On retirement after the age of 60, a corresponding agreed reduction applies from 100 per cent upon retirement to 70 per cent upon reaching the age of 67. From the age of 67, the pension is calculated on the basis of the Company's ordinary entitlement earning period of 30 years and is 70 per cent of the fixed salary with a full earning period. Company car arrangements and other benefits are retained until the age of 67.

The CEO has a period of notice of six months and is not entitled to severance pay or termination benefits if he leaves the Company earlier.

**Remuneration of executive personnel and employees who can materially influence the Group's risk**

Remuneration of the senior group management is stipulated by the CEO, in accordance with limits discussed with the remuneration committee and on the basis of guidelines issued by the Board. Correspondingly, the Group's guidelines are used as the basis for other executive personnel and employees who can materially influence risk.

The overall remuneration is decided on the basis of the need to offer competitive terms in the various business areas. It shall contribute to attracting and retaining executive personnel with the desired expertise and experience who promote the Group's core values and development.

The fixed salary is assessed and stipulated annually on the basis of wage growth in society in general and in the financial industry in particular. Variable remuneration (bonus) to executive personnel is earned annually and is based on an overall assessment of financial and non-financial performance over the two last years. The assessment takes into account a combination of the enterprise's overall performance targets for return on equity adjusted for extraordinary dividends and transactions and combined ratio, as well as developments in customer satisfaction. In addition, it evaluates the target achievement of the business unit in question, as well as personal contribution relating to compliance with the Group's vision, values, ethical guidelines and management principles. Half of the variable remuneration is in the form of a promise of shares in Gjensidige Forsikring ASA, one third of which are released in each of the following three years. Restricted variable remuneration that has not yet been disbursed may be reduced if subsequent results and developments indicate that it was based on incorrect assumptions.

The individual variable remuneration may amount to up to 30 per cent of the annual salary including holiday pay. Variable pay is not included in the pension basis.

After consulting with the remuneration committee, the CEO may make exceptions for special positions if this is necessary to be able to offer competitive terms. Payments in kind to executive personnel shall be related to their function in the Group, and otherwise be in line with market practice.

The retirement age for some members of the senior group management is 62, the others have a retirement age of 70. Of the current members of the senior group management, four are members of the closed Norwegian defined-benefit pension scheme. Given the full earnings period, they are entitled to a pension of 70 per cent of final salary at the full vesting period of 30 years at age 67. Six members are part of the Company's defined-contribution pension scheme. The Company continues a previously agreed individual pension agreement for one member of the senior group management.

In Sweden, the general retirement age is 65 years. In Denmark, the general retirement age is 70 years.

Members of the senior group management have a period of notice of six months. No members of the senior group management today have agreements of severance pay or payment of pay after termination of employment.

In accordance with local practice in Denmark and the Baltic, there are certain individual agreements on severance pay in connection with resignation in Gjensidige Forsikring ASA in these countries.

**Remuneration of personnel with supervisory tasks**

The remuneration of personnel with control and supervisory tasks shall be independent of the performance of the business area they are in charge of.

None of the executive personnel with supervisory tasks currently has variable bonus schemes. The fixed salary is based on the Group's general principles of competitively, but not leading wages.

Pension benefits and payments in kind follow the Group's general arrangement.

**Remuneration of officers of the Company and other employees with remuneration corresponding to executive personnel**

The remuneration shall follow the guidelines set out above. There are currently no such employees.

**Binding guidelines for shares, subscription rights etc. for the upcoming financial year**

Of the variable remuneration earned in 2020 by the CEO and other employees covered by the Regulations relating to remuneration in financial institutions, 50 per cent of the gross earned variable remuneration will be given in the form of a contingent promise of shares in Gjensidige Forsikring ASA. One third of the shares will be released in each of the following three years, provided that the conditions for allocations are fulfilled.

The Board has decided to continue the Group's share savings programme for employees in 2021. The CEO and executive personnel are entitled to take part in the programme on a par with other Gjensidige employees. Under the current programme, employees can save through deductions from their salary for the purchase of shares in Gjensidige Forsikring ASA for up to NOK 90,000 per year. Purchases take place quarterly following publication of the results. A discount of 25 per cent of the purchase price is offered, limited upwards to NOK 7,500. For those who keep the shares and are still employed in the Group, one bonus share is awarded for every four share they have owned for more than two years.

**Report on executive remuneration in the preceding financial year**

In accordance with the guidelines, one employee in the finance department has been offered up to 50 per cent variable remuneration.

The Board confirms that the guidelines on the remuneration of executive personnel for 2020 set out in last year's statement have been complied with.

## Key management personnel compensation 2020

NOK thousands	Fixed salary/ fee	Earned variable salary	Calculated value of total benefits other than cash	Rights earned in the financial year acc. to pension plan	Annual vesting share-based payment	Number of shares granted	Number of shares exercised	Number of shares not exercised <sup>6</sup>	Number of shares held <sup>9</sup>	Retirement conditions
<b>The senior group management</b>										
Helge Leiro Baastad, CEO	5,534.2	1,300.7	179.2	2,101.8	1,303.7	8,150	7,723	15,330	65,383	2
Jørgen Inge Ringdal, Executive Vice President	2,912.8	430.6	156.4	935.7	433.6	2,666	2,666	5,116	28,263	2
Catharina Hellerud, Executive Vice President	3,260.7	481.5	166.7	433.0	484.6	2,976	2,795	5,509	23,611	3
Sigurd Austin, Executive Vice President (1.1.20-23.4.20) <sup>1</sup>	1,501.3	25.4	50.8	213.9	6.2	2,868	3,004	5,608		3
Kaare Østgaard, Executive Vice President (1.1.20-1.6.20) <sup>1</sup>	1,252.3	25.4	91.0	333.9	6.2	2,800	2,420	5,218		3
Mats C. Gottschalk, Executive Vice President <sup>5</sup>	4,679.1	666.8	459.8	452.8	698.1	3,072	3,090	5,875	20,331	3
Jostein Amdal, Executive Vice President	3,700.8	542.5	168.0	848.0	545.5	3,366	2,235	6,311	17,657	
Janne Merethe Flessum, Executive Vice President	2,626.8	392.5	170.0	282.5	386.5	2,364	687	3,646	5,226	
Aysegul Cin, Executive Vice President <sup>5</sup>	2,990.7	576.2	340.0	188.3	379.1	2,264	235	2,736	1,803	
Lars Gøran Bjerklund, Executive Vice President	2,880.6	447.4	277.6	478.5	421.9	2,472	282	3,037	403	
Rene Fløystøl, Executive Vice President (1.6.20-31.12.20) <sup>1</sup>	1,512.2	309.2	99.4	105.0	316.7	50	59	111	3,286	
Tor Erik Silset, Executive Vice President (1.6.20-31.12.20) <sup>1</sup>	1,580.8	324.5	100.5	114.4	331.9	37	93	170	3,390	
<b>The Board</b>										
Gisele Marchand, Chairman <sup>8</sup>	733.9		2.5						1,481	
John Giverholt <sup>8</sup>	294.5		1.2							
Per Arne Bjørge <sup>8</sup>	321.2		1.8							
Eivind Elnan <sup>8</sup>	370.5		7.4						2,200	
Hilde Merete Nafstad <sup>8</sup>	413.9		2.5						2,946	
Vibeke Krag <sup>7,8</sup>	445.2		2.5						1,500	
Terje Seljeseth <sup>8</sup>	400.2		2.5							
Tor Magne Lønnum (25.5.20-31.12.20) <sup>1</sup>	141.3		2.5						11,000	
Gunnar Sellæg (25.5.20-31.12.20) <sup>1</sup>	112.3		2.5							
Gunnar Mjåtvedt, staff representative (25.5.20-31.12.20) <sup>4,8</sup>	285.2									
Anne Marie Nyhammer, staff representative (25.5.20-31.12.20) <sup>4</sup>	229.2									
Lotte Kronholm Sjøberg, staff representative (25.5.20-31.12.20) <sup>4,8</sup>	334.0									
Ellen Kristin Enger, staff representative (25.5.20-31.12.20) <sup>1</sup>	112.3								1,005	
Ruben Pettersen, staff representative (25.5.20-31.12.20) <sup>1</sup>	141.3								202	
Sebastian Buur Gabe Kristiansen, staff representative (1.9.20-31.12.20) <sup>1</sup>	66.2		2.5							

<sup>1</sup> The stated remuneration applies to the period the individual in question has held the position/office.

<sup>2</sup> Age 62, 100 per cent salary reducing gradually to 70 per cent at age 67 according to time of earning, then Gjensidige Forsikring's ordinary pension terms will take effect.

<sup>3</sup> Age 62, 70 per cent salary until age 67 according to time of earning, then Gjensidige Forsikring's ordinary pension terms will take effect.

<sup>4</sup> For staff representatives only remuneration for the current position is stated.

<sup>5</sup> Earned variable salary includes expatriation allowance.

<sup>6</sup> Including bonus shares in the share saving's programme for employees. See note 22 for terms and further description of the scheme.

<sup>7</sup> Remuneration includes remuneration as Chairman in the Audit Committee honoured with NOK 166 thousand for 2020.

<sup>8</sup> Remuneration includes remuneration in other committees.

<sup>9</sup> Is only disclosed for persons who are in the senior group management at year end.

## Key management personnel compensation 2019

NOK thousands	Fixed salary/ fee	Earned variable salary	Calculated value of total benefits other than cash	Rights earned in the financial year acc. to pension plan	Annual vesting share-based payment	Number of shares granted	Number of shares exercised	Number of shares not exercised <sup>6</sup>	Number of shares held	Retirement conditions
<b>The senior group management</b>										
Helge Leiro Baastad, CEO	5,332.4	1,355.2	171.3	1,638.1	1,364.0	7,797	8,257	14,903	60,231	2
Jørgen Inge Ringdal, Executive Vice President	2,804.4	557.7	166.1	732.4	566.5	2,561	2,719	5,116	26,310	2
Catharina Hellerud, Executive Vice President	3,155.4	493.5	175.2	460.5	502.3	2,624	2,999	5,328	21,589	3
Sigurd Austin, Executive Vice President	3,088.9	480.1	188.2	697.3	488.8	3,067	3,122	5,996	16,324	3
Kaare Østgaard, Executive Vice President	2,966.6	465.1	222.0	854.5	468.8	2,595	2,587	4,838	16,718	3
Mats C. Gottschalk, Executive Vice President <sup>5</sup>	4,589.0	921.5	423.5	478.8	643.4	2,739	3,372	5,893	18,117	3
Jostein Amdal, Executive Vice President	3,537.2	557.7	169.7	650.1	566.5	3,182	1,185	5,180	15,935	
Janne Merethe Flessum, Executive Vice President	2,530.2	399.7	169.6	279.6	401.0	1,868	95	1,969	4,349	
Aysegul Cin, Executive Vice President <sup>5</sup>	2,524.9	560.1	351.5	185.3	360.1	707		707	1,489	
Lars Gøran Bjerklund, Executive Vice President	2,756.7	435.3	277.7	274.0	421.0	847		847		
<b>The Board</b>										
Gisele Marchand, board member, Chairman <sup>8</sup>	696.5		2.3						1,481	
John Giverholt <sup>8</sup>	404.5		2.3						3,500	
Per Arne Bjørge <sup>7,8</sup>	449.0		3.7						10,542	
Eivind Elnan <sup>8</sup>	326.2		6.8						2,200	
Hilde Merete Nafstad <sup>8</sup>	363.5		2.3						2,946	
Vibeke Krag <sup>8</sup>	396.0		11.5						1,500	
Terje Seljeseth <sup>8</sup>	363.5		2.3							
Gunnar Mjåtvedt, staff representative <sup>4,8</sup>	396.0								2,319	
Anne Marie Nyhammer, staff representative <sup>4</sup>	326.2									
Lotte Kronholm Sjøberg, staff representative <sup>4,8</sup>	363.5		2.3						914	

<sup>1</sup> The stated remuneration applies to the period the individual in question has held the position/office.

<sup>2</sup> Age 62, 100 per cent salary reducing gradually to 70 per cent at age 67 according to time of earning, then Gjensidige Forsikring's ordinary pension terms will take effect.

<sup>3</sup> Age 62, 70 per cent salary until age 67 according to time of earning, then Gjensidige Forsikring's ordinary pension terms will take effect.

<sup>4</sup> For staff representatives only remuneration for the current position is stated.

<sup>5</sup> Earned variable salary includes expatriation allowance.

<sup>6</sup> Including bonus shares in the share saving's programme for employees. See note 22 for terms and further description of the scheme.

<sup>7</sup> Remuneration includes remuneration as Chairman in the Audit Committee honoured with NOK 157.5 thousand for 2019.

<sup>8</sup> Remuneration includes remuneration in other committees.