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Subsequent amendments to the regulation

None

Executive Order on remuneration policies and remuneration in insurance undertakings and insurance holding undertakings[1)]

In pursuance of sections 77i and 373, subsections 4 and 10 of the Financial Business Act, cf. Consolidating Act no. 182 of 18 February 2015, amended by Act no. 308 of 28 March 2015 and Act no. 1549 of 13 December 2016, the following apply:

Scope and definitions

Section 1. This Executive Order shall apply to the following undertakings (hereinafter "the undertaking"):

1) Group 1 insurance undertakings, cf. subsection 2.
2) Group 2 insurance undertakings.
3) Insurance holding undertakings, cf. subsection 2.

(2). Sections 8-9 shall not apply to group 1 insurance undertakings or holding undertakings that have a group 1 insurance undertaking as a subsidiary.

Section 2. The Executive Order establish rules on remuneration policies and remuneration for the management body and other employees whose activities have a material impact on the undertaking's risk profile, cf. section 3.

(2). Sections 7, 9, subsection 2(8) and section 14, subsection 2 shall apply to the remuneration of employees engaged in control functions.

Section 3. The management body in its supervisory function shall identify other employees whose activities have a material impact on the undertaking's risk profile taking into account the undertaking's size and organisation, and the scope and complexity of its activities.

(2). Employees in group 1 insurance undertakings identified as key function holders pursuant to section 71, subsection 3 of the Financial Business Act are those whose activities have a material impact on the undertaking's risk profile.

(3). Other employees whose activities have a material impact on the undertaking's risk profile are, in principal

1) the head of a control function,
2) the chief internal auditor,
3) the responsible actuary,
4) the head of the insurance area and heads of units under the insurance area,
5) the head of reinsurance, and
6) the head of the investment area.

(4). Other employees whose activities have a material impact on the undertaking's risk profile are, in principle, those who fulfil one or more of the following criteria, unless deemed not to have any material impact on the undertaking's risk profile:

1) The employee has been awarded a total remuneration of EUR 500,000 or more in the preceding financial year.

2) The employee is within the 0.3 percent of employees, rounded to the next higher integral figure, who have been awarded the highest total remuneration in the in the preceding financial year.

Section 4. The Executive Order shall not apply to remuneration covered by a collective agreement.

Section 5. "Variable remuneration" is defined as remuneration packages in which the awarded amount of remuneration is not known in advance.

Group 1 insurance undertakings and insurance holding undertakings that have a group 1 insurance undertaking as a subsidiary

Section 6. Group 1 insurance undertakings and insurance undertakings with a group 1 insurance undertaking as a subsidiary shall adopt a written remuneration policy in accordance with Article 258(1)(l) and Article 275 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (hereinafter the "Solvency II regulation").

Section 7. Should the remuneration of an employee acting as an actuary and which is not covered by the requirement in Article 275(2)(h) of the Solvency II regulation contain a variable remuneration, that component cannot be dependent on the business unit's results.

Group 2 insurance undertakings and insurance holding undertakings that do not have a group 1 insurance undertaking as a subsidiary

Section 8. A group 2 insurance undertaking and an insurance holding undertaking that do not have a group 1 insurance undertaking as a subsidiary, shall adopt a written remuneration policy.

Section 9. A group 2 insurance undertaking and an insurance holding undertaking that do not have a group 1 insurance undertaking as a subsidiary, shall ensure the following in addition to adopting and implementing a remuneration policy:

1) The remuneration policy and remuneration practice shall be adopting, implemented and maintained in line with a group 2 insurance undertaking and insurance holding undertaking's risk management strategy, risk profile, target and risk management practice and their long-term interests and performance as a whole, and shall incorporate measures aimed at avoiding conflicts of interest.
2) The remuneration policy promotes sound and effective risk management and shall not encourage risk-taking that exceeds the risk tolerance limits of group 2 insurance undertakings and insurance holding undertakings.
3) The remuneration policy applies to the group 2 insurance undertaking and insurance holding undertaking as a whole, and contains specific arrangements that take into account the tasks and performance for members of the management bodies, and other employees whose activities have a material impact on the risk profiles of group 2 insurance undertakings and insurance holding undertakings.
4) The management body in its supervisory function of group 2 insurance undertakings and insurance holding undertakings adopts and periodically reviews the general principles for a remuneration policy for employees whose activities have a material impact on the undertaking's risk profile, and is responsible for overseeing its implementation.
5) There is a clear, transparent and effective governance with regard to remuneration, including the oversight of the remuneration policy.
6) An impartial remuneration committee shall be created if appropriate in relation to the significance of the group 2 insurance undertakings and insurance holding undertakings in terms of size and internal organisation, in order to periodically support the management body in its supervisory function in

overseeing the design of the remuneration policy and remuneration practices, their implementation and operation; The remuneration policy shall be disclosed to all employees of group 2 insurance undertakings and insurance holding undertakings.

(2) The specific arrangements referred to in subsection 1(3) shall comply with the following principles:

1) where remuneration schemes include both fixed and variable components, such components shall be balanced, so that the fixed component represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on the variable components, and to allow the undertaking to operate a fully flexible bonus policy, including the possibility of paying no variable component.
2) where variable remuneration is performance-related, the total amount of the variable remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall result of the group 2 insurance undertaking, insurance holding undertaking or the group to which the undertaking belongs.
3) The payment of a substantial portion of the variable remuneration component, irrespective of the form in which it is to be paid, shall contain a flexible, deferred component that takes account of the nature and time horizon of the group 2 insurance undertaking or insurance holding undertaking´s business. The deferred period shall not be less than three years and the period shall be correctly aligned with the nature of the group 2 insurance undertaking or insurance holding undertaking, its risks, and the activities of the employees in question.
4) Financial and non-financial criteria shall be taken into account when assessing an individual's performance;
5) The measurement of performance, as a basis for variable remuneration, shall include a downwards adjustment for exposure to current and future risks, taking into account the group 2 insurance undertaking´s or insurance holding undertaking´s risk profile and the cost of capital;.
6) Severance payments shall be related to performance achieved over time and be designed in a way that does not reward failure or misconduct.
7) Persons subject to the remuneration policy shall commit to not using any personal hedging strategies or remuneration and liability-related insurance, which would undermine the risk alignment effects embedded in their remuneration arrangement.
8) If the remuneration of a group 2 insurance undertaking or insurance holding undertaking's employee engaged in the control functions includes a variable component of remuneration, that component cannot be linked to the performance of the business areas they control.

(3) The remuneration policy shall take into account the internal organization of the group 2 insurance undertaking or insurance holding undertaking, and the nature, scale and complexity of the risks inherent in its business.

Remuneration policy and duty to inform

Section 10. If the undertaking awards the management body or other employees whose activities have a material impact on the undertaking's risk profile, cf. section 3, a variable component of remuneration, cf. section 5, the undertaking shall ensure that the remuneration policy takes into consideration the restrictions regarding variable remuneration pursuant to section 16, including that the policy establish a cap for the variable component compared to the fixed component. The undertaking shall, in addition, fulfil the requirements of Article 275(2)(a) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 2(1).

(2) The appropriate balance between fixed and variable remuneration in Article 275(2)(c) of the Solvency II regulation or in section 9, subsection 2(1) may vary, depending on the function of the recipient and the undertaking's circumstances in general.

(3) The remuneration policy shall distinguish between the criteria for setting, respectively, the fixed components of the remuneration, which shall primarily reflect relevant professional experience and organisational responsibilities and the variable remuneration, which ought to reflect sustainable and risk-

adjusted results, and results that can be expected in relation to the relevant professional experience and organisational responsibilities of the employee. The remuneration policy shall furthermore fulfil the requirements of Article 275(2)(d) of the Solvency II regulations or additionally fulfil the criteria in section 9, subsection 2(4).

Section 11. Taking into account the size and organisation of the undertaking and the scope and complexity of its activities, the management body in its supervisory function shall determine the undertaking's remuneration policy, including pension policy, guidelines for awarding variable remuneration, severance pay and identification of employees whose activities have a material impact on the undertaking's risk profile. The management body in its supervisory function is responsible for the implementation of the remuneration policy.

Section 12. The supreme body of the undertaking shall approve the remuneration policy of the undertaking, including guidelines for awarding variable remuneration and guidelines for severance pay. In addition, the remuneration policy shall fulfil the requirements laid down in Article 275(1)(a-b) of the Solvency II regulation or fulfil the requirements of section 9, subsection 1(1-2).

(2) The chairman of the management body in its supervisory function shall account for the remuneration of the management body in his report to the supreme body of the undertaking. The account shall contain information about remuneration in the preceding financial year and about the expected remuneration in the current and next financial years.

(3) The undertaking shall publish in its annual accounts the total remuneration for each member of the management body they have earned in that capacity from the undertaking during the relevant financial year, and that they have earned as a member of the management body in the same financial year in an undertaking within the same group.

Section 13. The management body in its supervisory function’s review of the remuneration policy shall be performed regularly and at least once annually with regard to adjusting the policy to the development of the undertaking. The management body in its supervisory function shall also fulfil the requirements in Article 275(1)(d) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 1(4).

Section 14. The management body in its supervisory function shall, as part of the ongoing supervision of the remuneration policy, at least annually, see to that the remuneration policy is subject to an internal review. The management body in its supervisory function shall prepare guidelines for the review, and the conclusions shall be reported to the management body in its supervisory function. The management body in its supervisory function shall also fulfil the requirements in Article 275(1)(e) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 1(5).

(2) The management body in its supervisory function shall supervise remuneration of the management of that part of the organisation that exercises control over observance of limits for risk-taking, and management of that part of the organisation that otherwise exercises control and audits, including management of the compliance function and internal audit function. If the undertaking has set up a remuneration committee in pursuance of section 22, the committee shall exercise that control.

Section 15. The undertaking shall ensure that employees participating in drawing up the undertaking's remuneration policy and control of the same have appropriate knowledge. The undertaking shall furthermore and taking into account the size and organisation of the undertaking, internal organisation, scope and complexity of its activities, that employees controlling compliance with the remuneration policy are independent of the business areas they control.

Variable remuneration

Section 16. With regard to the remuneration of the management body and other employees whose activities have a material impact on the risk profile of the undertaking, cf. section 3, the undertaking shall ensure compliance with the following:

1) The variable components of remuneration for a member of the management body at the time of calculation shall not exceed more than 50 percent of either the fee or the fixed basic salary, including pension.
2) The variable components of the remuneration for other employees whose activities have a material impact on the risk profile of the undertaking, may not exceed more than 100 percent of the fixed basic salary, including pension, at the time of calculation of the variable remuneration.
3) The supreme body of the undertaking can decide that variable components of remuneration to other employees whose activities have a material impact on the undertaking's risk profile, cf. (2), at the time of calculation of the variable component of remuneration can comprise up to 200 percent of the fixed basic salary including pension, providing the following requirements are fulfilled:
   a) The undertaking shall, no later than at the notice of the supreme body, inform the supreme body that it wishes the supreme body to consider using a higher maximum cap.
   b) The supreme body shall take the decision regarding use of a higher maximum cap on the basis of a detailed recommendation from the undertaking giving reasons for this recommendation, including the number of employees affected, their functions, the new maximum cap proposed and the expected impact on the undertaking's possibility to maintain a sound capital base. The capital owners shall receive the recommendation no later than at the same time as the notice convening the meeting of the supreme body.
   c) The undertaking shall, no later than at the same time as facilitation of the recommendation to the capital owners, cf. paragraph b, inform the Financial Supervisory Authority about the recommendation to the capital owners, including the proposed higher maximum cap and the reasons for the recommendation. The undertaking shall, upon request from the Financial Supervisory Authority, prove that the maximum cap does not conflict with the undertaking's obligations according to the Executive Order and Solvency II regulation, including the special capital base requirements.
   d) The decision to use a higher maximum cap shall be endorsed by the supreme body of the undertaking by 66 percent as a minimum of the votes cast, provided that at least 50 percent of the holdings with voting rights are represented at the meeting. Where less than 50 percent of the holdings with voting rights are represented at the meeting, the decision shall be adopted by at least 75 percent of the votes cast. An employee who is a capital owner in the undertaking may not participate in the vote in this respect at the meeting of the supreme body, if the employee has significant interest in the decision which may contravene with the interests of the undertaking.
   e) The undertaking shall, no later than eight days after the meeting of the supreme body, inform the Financial Supervisory Authority about the decision made by the supreme body, including the size of any higher maximum cap decided.
4) At least 50 percent of a variable component of remuneration for the management body and other employees whose activities have a material impact on the undertaking's risk profile, shall consist, on the day the variable component of remuneration is calculated, of a balance of shares or equivalent ownership interests depending on the undertaking's legal structure, share-based instruments, subordinated debt in the undertaking or other instruments, that to a suitable degree reflect the credit-worthiness of the undertaking as an undertaking expected to continue as a going concern. The instruments may be issued in the undertaking or its parent undertaking which fully owns the undertaking.
5) Payment by the undertaking of no less than 40 percent of a variable component of remuneration, for larger amounts no less than 60 percent, shall take place over a period of at least 3 years starting one year after the time of calculation, however, for the management body at least four years starting one year after the time of calculation, distributed equally over the years or with a growing percentage at the end of the period. In addition, the requirements of Article 275(2)(c) of the Solvency II regulation, or cf. section 9, subsection 2(3) shall be fulfilled.
6) The undertaking can choose to not pay variable remuneration in whole or in part if the undertaking

cannot comply with the solvency capital requirement in sections 126 c and 175 b of the Financial Business Act at the time of payment, or if the Financial Supervisory Authority believes there is a reasonable risk of it failing to comply.

7) The undertaking cannot pay variable remuneration to the management body if the Financial Supervisory Authority in pursuance of section 248, subsection 1 of the Financial Business Act requires that the undertaking develop a plan for restoring its economic status.

(2) Share options or similar instruments for the management body cannot consist of more than 12.5 percent of the fee and fixed basic salary, including pension at the time of calculation of the variable remuneration.

(3) An undertaking shall ensure that shares, instruments etc., awarded to the management body or other employees whose activities have a material impact on the undertaking's risk profile as part of the variable component of remuneration referred to in subsection 1(4), cannot be disposed of by such persons within a suitable period. The undertaking shall moreover fulfil the requirements of Article 275(2)(g) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 2(7).

(4) An undertaking shall ensure that payment of a deferred variable component of remuneration, according to subsection 1(5), to the management body or other employees whose activities have a material impact on the undertaking's risk profile, is: contingent on the criteria that have been used as the basis for the variable component of remuneration is still fulfilled at the time of payment; contingent on the person concerned not having taken part in or been responsible for any behaviour that has resulted in significant loss for the undertaking, or has failed to comply with appropriate requirements for honesty; and contingent on that the undertaking's financial situation is not significantly worsened in relation to the point at which the variable component of remuneration was calculated. The undertaking shall moreover fulfil the requirements of Article 275(2)(e) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 2(5).

(5) An undertaking shall ensure that the management body or other employees whose activities have a material impact on the undertaking's risk profile and who receive variable remuneration, shall repay such variable remuneration in whole or part if paid out on the basis of information on results that can be proven to be incorrect, and if the recipient has acted maliciously. The undertaking shall moreover fulfil the requirements of Article 275(2)(a) of the Solvency II regulation, or in addition fulfil the requirements of section 9, subsection 2(1).

(6) If an undertaking grants its management body or other employees whose activities have a material impact on the undertaking's risk profile, a pension benefit that comprises a variable component of remuneration, cf. section 5, the undertaking shall withhold that benefit in the form of instruments as stated in subsection 1(4) for 5 years in the event of the recipient leaving the undertaking prior to pension entitlement age. Subsections 4 and 5 apply correspondingly in the instances referred to in the first item. If the recipient is a member of the management body in its supervisory function or is an employee of the undertaking at the time of retirement, the undertaking shall pay the variable component of the pension benefit to the recipient in the form of the instruments mentioned in subsection 1(4), without the option of sale or utilisation for a period of five years. Subsection 5 shall apply correspondingly to the cases mentioned in the third item.

Pension and special benefits

Section 17. If the undertaking awards pension benefits that can be compared to variable remuneration for the management body or other employees whose activities have a material impact on the undertaking's risk profile, cf. section 3, the undertaking's pension policy shall comply with the requirements pursuant to section 16, subsection 6.

Section 18. Section 16, subsections 1-6 shall not apply to agreements on severance pay that fulfil the following conditions:

1) An agreement on severance pay entered into at the time of employment.
2) The agreed severance pay is not contingent on results achieved through employment.

3) The agreed severance pay cannot exceed a value at the time of leaving the undertaking corresponding to the total remuneration of the last two years, including pension.

(2) Section 16, subsections 1-6 cannot apply to agreements on severance pay entered into at the time of leaving the undertaking for that component of severance pay that does not exceed a value equivalent to one year's total remuneration including pension.

(3) Severance pay not covered by subsections 1 and 2 shall reflect performance achieved over time, and do not reward failure or misconduct.

Section 19. Section 16, subsections 1-6 do not apply to agreements on a sign-on bonus that fulfils the following conditions:

1) The agreement on a sign-on bonus is entered into at the time of employment.
2) The agreed sign-on bonus is limited to the first year of employment.
3) The undertaking has a healthy and solid capital base at the time the sign-on bonus is awarded.

Section 20. Remuneration packages relating to compensation or release from other contracts in previous employment must be aligned with the long-term interests of the undertaking, including the requirements for pay-out of variable remuneration, cf. section 16, subsections 1-6.

Section 21. The management body can decide to not apply the requirements in section 16, subsection 1(4 and 5) and subsection 3 in instances when the variable remuneration earned does not exceed DKK 100,000 per annum, if the management body deem such disapplication to be appropriate. The undertaking shall demonstrate to the Financial Supervisory Authority upon request the reasons on which the decision was taken to exclude the variable component of remuneration from one or more of the requirements in section 16, subsection 1(4 and 5) and subsection 3, and the appropriateness of the same, cf. item 1.

Remuneration committee

Section 22. An undertaking whose holdings have been admitted to trading on a regulated market, or which, in the two most recent financial years at the balance sheet date, on average have employed 1,000 or more full-time employees, shall set up a remuneration committee, cf. however, subsection 2.

(2) Groups with several undertakings which in pursuant to subsection 1, section 77 c, subsection 1 of the Financial Business Act or section 21, subsection 1 of the Alternative Investment Fund Managers etc. Act, are obliged to set up a remuneration committee, may set up a joint remuneration committee for such undertakings in the group or part thereof. In terms of organisation, the remuneration committee shall be placed in an undertaking supervised by the Financial Supervisory Authority, and shall be set up in an undertaking which is a parent undertaking for the other undertakings for which the committee has been set up.

(3) The chairman and the members of the remuneration committee shall be members of the management body in its supervisory function of the undertaking which sets up the remuneration committee, or of the management body in its supervisory function of undertakings which, under subsection 2, have a joint remuneration committee. The remuneration committee shall have the necessary knowledge and qualifications and competences to understand and monitor the undertaking's remuneration policy and practice, risk management and monitoring activities, particularly as regards adaptation of the undertaking's remuneration structure to the undertaking's risk profile and management of capital and liquidity, and are in a position to make a qualified, independent assessment of whether remuneration by the undertaking, including remuneration policy and associated procedures, is in compliance with Article 275 of the Solvency II regulation and sections 2, 6-7 and 10-21 for group 1 insurance undertakings and sections 2 and 8-21 for group 2 insurance undertakings and insurance holding undertakings.

(4) In addition to fulfilling the requirements of Article 275(1) of the Solvency II regulation or in addition to fulfilling the requirements in section 9, subsection 1(6), the remuneration committee shall undertake the preparatory work for decisions by the management body in its supervisory function on remuneration, including remuneration policy and other related decisions that can have influence on the

undertaking's risk management, and in that connection undertake the following:

1) The remuneration committee shall advise the management body in its supervisory function on the formulation of the undertaking's remuneration policy, assist the management body in its supervisory function by ensuring compliance with the undertaking's remuneration policy in practice, and determine whether the undertaking's remuneration policy is up-to-date, including offering suggestions for updating the remuneration policy if necessary.
2) The remuneration committee shall ensure that the information provided to the supreme body for the undertaking's remuneration policy and practice, and information pursuant to section 16, subsection 1(3)(a and b) is adequate.
3) The remuneration committee shall assess whether the undertaking's processes and systems are adequate and take into account the undertaking's risks, including risks associated with the management of capital and liquidity, relating to the undertaking's remuneration structure, and ensure that the undertaking's remuneration policy and practice are in compliance with and promote healthy and effective risk management, and comply with the undertaking's business strategy, objectives, values and long-term interests.
4) The remuneration committee shall assess the overall results of the undertaking and the business units, and ensure that the management body in its supervisory function has evaluated whether the performance criteria used to calculate the variable remuneration for the undertaking's other employees whose activities have a material impact on the undertaking's risk profile, cf. section 16, subsection 4.
5) The remuneration committee shall control selected evaluations made by the management body in its supervisory function, cf. no. 4, to test whether the conditions in section 16, subsection 4 are complied with.
6) The remuneration committee shall ensure that the independent control functions and other relevant functions are brought in where necessary in order to carry out the tasks in no. 1–5, and seek external advice where necessary.

(5) The remuneration committee may perform other functions concerning remuneration. The committee shall, in the preparatory work, manage the long-term interests of the undertaking, including in relation to investors and the interest of the general public.

(6) In undertakings covered by subsection (1) in which the management body in its supervisory function have employee representation pursuant to the regulations in part 8 of the Companies Act, at least one representative shall be a member of the remuneration committee set up pursuant to subsection 1 or 2.

Duty to inform and report

Section 23 The undertaking shall at least once annually publish the following details concerning its remuneration policy and remuneration practice for the management body and other employees whose activities have a material impact on the undertaking's risk profile, cf. section 3:

1) The decision making process used for determining the remuneration policy, as well as the number of meetings held by the management body in its supervisory function overseeing the remuneration during the financial year, including, if applicable, information about the composition and the mandate for a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.
2) The connection between remuneration and results.
3) The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria
4) The ratios between fixed and variable remuneration according to section 16, subsection 1(1-3).
5) The performance criteria on which the entitlement to shares, options or variable components of remuneration is based.
6) The main parameters and rationale for any variable component scheme and any other non-cash benefits.

7) Aggregate quantitative information on remuneration, broken down by business area.
8) Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following:
   a) The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries.
   b) The amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types.
   c) The amounts of outstanding deferred remuneration, split into vested and unvested portions.
   d) The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments.
   e) New sign-on bonuses and severance payments made during the financial year, and the number of beneficiaries of such payments.
   f) The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person.
9) The number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million.

(2) The provisions in subsection 1(7 and 8) shall only apply in relation to employees whose activities have a material impact on the undertaking's risk profile, if publication does not imply that the individual's remuneration is thereby published.

(3) The provision in subsection 1(8)(e and f) shall only apply to benefits that cannot be discharged by law or collective agreement.

(4) The undertaking can choose not to publish one or more of the details referred to in subsection 1 with regard to the size, internal organisation, scope or complexity of its activities in whole or in part. An undertaking that does not have securities traded on a regulated market in Denmark, and that has a balance sheet value of less than DKK 500 million in two successive financial years, can choose to not publish the details referred to in subsection 1.

(5) The undertaking shall submit the details referred to in subsection 1(7 and 8) to the Financial Supervisory Authority immediately at the end of the financial year and concurrently publish the details referred to in subsection 1 on its website in a location where it naturally belongs. If the undertaking does not have a website, anyone interested shall be able to download or receive the details by contacting the undertaking. If the details are published in fulfilment of requirements pertaining to financial statements, listing on a stock exchange or other requirements, the duty to inform will be regarded as fulfilled. If the details according to subsection 1 are not contained in the annual report, the undertaking shall state in the annual report where they can be found.

(6) Removing the details from the undertaking's website shall comply with the same principles the undertaking uses for other notifications.

(7) Undertakings that can choose not to publish one or more of the details referred to in subsection 1 according to subsection 4, can also choose not to submit, according to subsection 5, the details referred to in subsection 1(7 and 8) to the Financial Supervisory Authority and not to publish such details referred to in subsection 1 on their websites.

Section 24. The undertaking shall report the number of persons who earned EUR 1 million or more including pension in the preceding financial year, broken down into pay bands of EUR 1 million, by 01 May each year to the Financial Supervisory Authority.

(2) If the undertaking is the parent EU company in a group, the undertaking shall also report the number of persons who earned EUR 1 million or moreincluding pension in the preceding financial year, broken down into pay bands of EUR 1 million, by 01 May each year to the Financial Supervisory Authority. The obligation for the parent EU company only applies to its foreign subsidiaries located in the EU that are licensed to run a financial business in their own country as a credit institute or investment company as

defined in Article 3(1) of Directive 2013/36.

(3) Reporting to the Financial Supervisory Authority in pursuance of subsections 1 and 2 shall include details on the number of persons broken down by areas of responsibility and business unit, if an individual unnamed person is designated as a material risk-taker, the size of that person's total remuneration including pension broken down into fixed and variable remuneration, the size of variable pension benefits according to section 77(a), subsection 6 of the Financial Business Act and the size of the total variable remuneration deferred, stating in which country the individual unnamed person works.

Section 25. An insurance undertaking with a website shall publish details on how it fulfils the requirements in sections 6, 7 and 9, subsection 1(1-2) and (6), subsection 2(2, 4-5 and 8), section 10, subsection 3, sections 11, 12 and 13, subsection 1, item 1 and subsection 2, sections 15, 16 and 18, subsection 3, sections 19-20 and 22 to the extent the relevant requirement applies to the undertaking.

(2) A group 1 insurance undertaking that has a website shall publish details on how it fulfils the requirements in Article 258(1)(l) and Article 275(1)(a-b) and (2)(a-b, d-f and h) of the Solvency II regulation.

(3) The undertaking's publication according to subsections 1 and 2 shall be made on its website in an appropriate location.

Penalties

Section 26. In the event of breach of section 3, subsection 1, sections 6, 8, 12, 15, 16 and 21, subsection 2, section 22, subsections 1 and 3-6, section 23, subsections 1 and 5, items 1, 2 and 4, sections 24 and 25, subsection 1-2, the undertaking can be punished by fines.

(2) Breach of Article 258(1)(l) and Article 275(2)(a, b, d, e and h) of the Solvency II regulation shall be punishable by fines.

(3) Undertakings etc. (legal entities) may incur criminal liability according to the rules in Part 5 of the Criminal Code.

Commencement

Section 27. This Executive Order comes into effect on 1 January 2017.

(2) For other employees whose activities have a material impact on the undertaking's risk profile, cf. section 3, a revised remuneration policy can be used when laid down by the management body in its supervisory function, cf. section 11. The revised remuneration policy shall be approved by the undertaking's supreme body at the ordinary general meeting in 2018.

(3) Section 16 shall apply to agreements entered into or renegotiated, extended or renewed after the Executive Order comes into effect for persons who, after the date on which the Executive Order comes into effect, shall be identified as other employees whose activities have a material impact on the undertaking's risk profile in pursuance of section 3.

Ministry of Industry, Business and Financial Affairs, 13 December 2016

BRIAN MIKKELSEN

/Hans Høj

1) The Executive Order incorporates certain provisions from the Commission's Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Official Journal 2015 no. L 12, page 1. According to Article 288 in the TFEU Treaty, a regulation applies in every member state. Reproduction of these provisions in the Executive Order is therefore solely for practical purposes and does not affect the regulation's applicability in Denmark.