



Corporate governance statement

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1. Corporate governance statement

Good corporate governance is important to ensure value creation over time, and to increase people's trust in the Company. This statement describes the corporate governance principles adopted by Gjensidige Forsikring ASA ("Gjensidige"), and is prepared in accordance with the Norwegian Accounting Act § 2-9 and the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES). This statement is available at the company's web page www.gjensidige.com.

The Code of Practice is available at www.nues.no.

This statement is based on the principle of 'comply or explain', and includes a statement on each section in the Code of Practice. Gjensidige follows the Code of Practice with the deviations explained in this statement. The numbering of the sections in the statement is structured in accordance with the Code of Practice.

2. The Business

The Articles of Association include a description of and clear framework for the company's business. Gjensidige is a financial services group and is subject to the rules and restrictions set out in the Norwegian Financial Undertakings Act. Gjensidige's primary business is non-life insurance and associated business in the Nordic countries and the Baltics. In Norway, the group is also engaged in life and pension insurance.

The board of directors (the "Board") sets clear objectives, strategies and risk appetite for the business with the aim of creating value for the shareholders and other stakeholders in a sustainable way. Our objectives and strategies are described in more detail in the company's annual report, quarterly reports and on our website.

Objectives, strategies and risk appetite are evaluated and reviewed on an ongoing basis and are subject to board consideration at least once a year. Through these processes, the assumptions on which Gjensidige's corporate strategy and underlying strategies are based are assessed and adjusted as needed. The Board holds a yearly strategy seminar in June and approves the adjusted corporate strategy at the end of each year.

Sustainability topics that are considered significant in our double materiality analysis are integrated into our core business. Topics related to the double materiality analysis have been addressed by the Audit Committee, Risk

Committee, and the Board a total of four times in 2024. The Audit Committee has reviewed and monitored the materiality threshold, as well as reviewed the results of the double materiality analysis. The sustainability topics have been included in the group's strategic processes, and the IRO assessments have been reviewed by the Risk Committee. An assessment has also been conducted to ensure that all significant sustainability topics are regulated with appropriate policies and guidelines.

3. Equity and dividends

Dividend policy

The Board has established a clear solvency and dividend policy aligned with Gjensidige's objectives, strategy and risk appetite. Gjensidige targets high and stable nominal dividends to its shareholders, and a pay-out ratio over time of at least 80 per cent of profits after tax. When determining the size of the dividend, the expected future capital need will be taken into account. Over time, Gjensidige will also pay out excess capital. Please see our annual report for more information about dividends and capital management.

Solvency capital

Gjensidige's solvency capital requirements are primarily defined by regulatory standards. These standard requirements are based on general assessments of European insurance companies. The Board aims for the solvency and capital requirements to be more aligned with Gjensidige's risk profile and has therefore invested significant resources in a proprietary internal model that continuously provides detailed information on solvency and capital needs. This model offers the Board a solid and relevant basis for decision-making in the areas it covers and has been approved by the Financial Supervisory Authority, with certain conditions. To ensure that Gjensidige is well-capitalized, the Board has also established that Gjensidige should meet the requirements for an A-rating from S&P or an equivalent rating.

Board authorizations

The company considers it appropriate for the Board to receive authorization from the general meeting to decide and implement certain company events without convening an extraordinary general meeting. All such authorizations are time-limited and valid until the next ordinary general meeting, or in no event later than June 30 of the following year. The following authorizations were given at the ordinary general meeting in 2024:



- **Dividends:** The general meeting authorized the Board to decide on dividends throughout the year if there is an economic basis for it. The authorization was given to provide the company with the flexibility to distribute multiple dividends without convening an extraordinary general meeting. Such a decision must formally be based on the most recently approved annual accounts and may be in addition to the dividend decided by the ordinary general meeting.
- **Share buy-backs:** The general meeting authorized the Board to buy back shares in the company to fulfill the group's obligations related to the current share savings program and remuneration schemes for employees (to contribute to loyalty and good business culture), as well as to potentially use the shares as consideration in connection with acquisitions, for investment purposes, or for optimizing the company's capital structure through subsequent sale or cancellation..
- **Subordinated loans/external financing:** The general meeting authorized the Board to raise subordinated loans and other external financing, as well as to trade in the bonds issued under the company's subordinated bond loans. The purpose of subordinated loans and other external financing is to reduce the cost of capital and increase value creation for the owners.
- **Capital increases:** The general meeting authorized the Board to have a limited authorization to increase the share capital through the subscription of new shares. The purpose of such capital increases may include increasing the company's financial flexibility in the acquisition of businesses, as well as optimizing the company's capital structure.

For more information regarding the abovementioned authorizations, please see the general meeting notices and related documentation included on our webpage www.gjensidige.com.

Deviation: In accordance with the Code of Practice, board authorizations should be explained and limited to defined purposes. The Board fundamentally agrees with this but believes that a certain degree of flexibility is necessary. As long as the authorizations are clearly limited in time and scope, and, in reality, merely adjust and rationalize the undertaking's capital structure, the Board's management authorization should include powers to make such decisions rather than having to hold an extraordinary general meeting.

4. Equal treatment of shareholders

Shareholders' pre-emption rights in connection with an increase in share capital is an important and fundamental right in a good, harmonious shareholder community, and the pre-emption right can only be waived in exceptional circumstances. Any waiving of pre-emption right will be based on the company's and shareholders' mutual interests. In such case, there will be full openness about the matter, and the shareholders will receive identical information simultaneously through a stock exchange announcement and subsequently on our website. This also applies if the Board utilizes the authorizations it has been granted. The company's transactions in own shares must always comply with the arm's length principle and be on ordinary market terms with due consideration to applicable legislation. Transactions between related parties and group companies must take place on commercial terms, and based on an independent evaluation when required by law.

5. Shares and negotiability

There are no provisions in Gjensidige's articles of association that limit the right to own, trade or vote for shares in the company.

6. General meetings

Gjensidige holds its annual general meeting by the end of April each year, as set forth in our articles of association. General meetings are called by the Board with at least 21 days' written notice to all shareholders with a known residence, and supporting information is prepared in accordance with law and the recommendations in the Code of Practice. The chair of the Board or another person designated by the Board, and the general meeting elects a person to chair the general meeting.

Gjensidige's annual general meeting in 2024 was held as a hybrid meeting (shareholders were given the option to choose between physical or electronic attendance). The Board deemed this solution prudent in ensuring that the shareholders' rights were adequately protected. Shareholders who participated were given the opportunity to ask questions and vote directly on each item on the agenda, regardless of whether they participated electronically or physically. Prior to the meeting, the shareholders had the opportunity to contact the Company to ask questions or to get help to put forward items to the meeting agenda.

Deviation: The Board is aware that the Code of Practice recommends individual voting for each candidate to the board of directors and nomination committee. However,



board elections are demanding in Norwegian financial undertakings, partly because of statutory suitability requirements and partly because of statutory requirements pertaining to the combined expertise of the board of directors as a whole. Board elections in Gjensidige are therefore organized as one vote on the nomination committee's overall recommendation for the board composition. The Board emphasizes that the election and nomination process is extensive. All shareholders can submit candidate proposals, and the largest shareholders are contacted in writing by the nomination committee. All received opinions are considered. The Board believes that this work is very important for the company's operations, position, and further development.

7. Nomination committee

Gjensidige has a nomination committee comprising four to six members, as provided for in the company's articles of association. The general meeting elects the chair and members of the committee and stipulates the committee's remuneration. Further, the general meeting has approved an instruction for the nomination committee's work.

The committee members are independent of the shareholder-elected board members and executive personnel.

The nomination committee's duties include proposing candidates for the Board and the nomination committee, and proposing the remuneration of the members of these corporate bodies, the Board's subcommittees and the company's external auditor. In financial undertakings, the general meeting elects the chair of the Board. The chairperson is elected from and among the shareholder-elected board members who are not proposed by the Gjensidige Foundation (majority shareholder). To ensure the employee's right to co-determination, one of the board members elected from among the employees therefore takes part in discussions and decisions pertaining to the recommendation for chairperson.

The general meeting appoints the company's external auditor based on the nomination committee's recommendation. The audit committee prepares the appointment of the external auditor and provides a recommendation to the nomination committee before the nomination committee submits its recommendation to the general meeting.

Shareholders may submit proposals for candidates to the board of directors and nomination committee. The

nomination committee is accessible to shareholders, and the process is subject to deadlines to ensure that the views of all shareholders are made known before the relevant discussions take place in the nomination committee. The nomination committee annually conducts individual meetings with the board members, CEO and the external auditor.

It is set forth in Gjensidige's articles of association that, as long as the Gjensidige Foundation owns more than 33,4 % of the issued shares in Gjensidige, the Gjensidige Foundation has the right to submit three board member candidates to the nomination committee to be proposed to the general meeting. If the nomination committee does not deem the proposed candidates suitable or are not elected by the general meeting, the Gjensidige Foundation will propose new board member candidates to the nomination committee.

8. The board of directors

Gjensidige's board of directors consists of 10 board members, of which 7 are elected by the general meeting and three are elected by and among the employees. Board members elected by the general meeting are elected for one year at the time. The general meeting's elections are made based on the nomination committee's proposal. Such proposals will reflect statutory requirements pertaining to qualifications, gender, age and geographic affinity of the board members. The employee representatives are appointed for two years at the time.

At least two of the shareholder-elected members are independent of the Company's majority shareholder. The chair of the Board is independent of the company's majority shareholder, material business contacts and executive personnel. No executive personnel is member of the Board.

In the Board's opinion, the composition of the Board safeguards the interests of the shareholders as a whole, and the Company's needs for competence, capacity and diversity. Our annual report includes a description of each board members background, experience and attendance at board meetings in 2024.

The nomination committee encourages board members to own shares in the Company.

9. The work of the Board

The Board held 10 ordinary board meetings in 2024, including a two-day strategy seminar. In addition, the



Board held two extraordinary board meetings, and voluntary board seminars about insurance economics, artificial intelligence and audit committee effectiveness. Four board meetings were held via Teams.

In accordance with Norwegian law, the Board has three board committees: the remuneration committee, the audit committee and the risk committee. The board committees prepare the Board's consideration of matters and do not have decision-making authority. In the Board's opinion, the preparatory work done in the board committees increases the efficiency of the board proceedings and adds value for both the Board and the company. For more information about the board committees, please see our annual report or webpages at www.gjensidige.com.

In accordance with the Code of Practice, the majority of the members of the audit committee are independent of the company, cf. section 9 of the Code of Practice.

The Board has adopted rules of procedure for the Board and its three committees and revises these yearly. The Board's rules of procedure contain i.a. regulations pertaining to impartiality in accordance with applicable law and the Code of Practice. The Board's rules of procedure are available at www.gjensidige.com.

The Board's work follows an annual plan which is prepared and approved annually and adjusted as needed. Transparency and room for input is emphasized by the Board. The Board annually conducts a self-evaluation of its work and qualifications. Every other year the evaluation is facilitated through external resources. The nomination committee has access to the results of the evaluation.

In accordance with the Financial Undertakings Act, the Company has established four independent control functions that each play a key role within their areas of responsibility. These are the Risk Management function, the Compliance function, the Actuary function and the Internal Audit function. These functions are staffed by company employees. The internal auditor (the head of the Internal Audit function) is appointed by the board of directors, which also decides the auditor's salary, and has a special position as the board of directors' most important control officer. The head of each of the other control functions is appointed by the administration (and cannot be dismissed without the board's consent). The functions are described in more detail in Note 3 of our annual accounts. The Board emphasizes that these functions shall have a close relationship with the Board through board

work and reporting, and, in particular, the work in the board committees. See Note 3 of our annual accounts for more information about our risk and capital management.

10. Risk management and internal control

Gjensidige complies with the Code of Practice in relation to risk management and internal control, and the Board and its board committees continuously reviews the most important risk areas and the internal control system.

The internal control system is based on the COSO principles and structured according to the internationally recognized three lines of defense model; (1) the business' own control measures (first line), (2) the compliance function, group security function, risk management function and the actuarial function's control measures (second line) and (3) the internal audit function (third line).

The accounting department has established processes for proper internal control with financial information and shall have the right expertise and sufficient resources to be able to prepare the accounts and other statutory reporting in accordance with the applicable laws and regulations. The reporting of deviations and other established systematic reporting gives the Board insight into the processes and status. In addition, effective internal control has been established for the reporting of non-financial information including ESG-information.

In the Board's opinion, the control environment is good, and functions as intended. The framework for the assessment of risk – identification and qualification of risks – is continuously quantified and evaluated. Control activities and the coordination of the different control environments are adopted annually by and in consultation with the Board. Information, communication and risk monitoring is conducted through the Board's risk committee and audit committee.

In relation to risk management, the Board annually adopts risk limits in light of the Company's future plans, financial situation and the capital plan communicated to the shareholders. See Note 3 of the annual accounts for more information.

11. Remuneration of the Board

The general meeting resolves the remuneration of the Board based on the nomination committee's recommendation. Please see Note 8 in the annual accounts for further information.



No board members receive share options or remuneration linked to the company's performance. Reference is made to the nomination committee's presentation, assessment and proposal, which are available on the Company's website www.gjensidige.com.

12. Remuneration of executive personnel

The Board has adopted guidelines for the remuneration of executive personnel in Gjensidige in accordance with applicable law. The guidelines are presented to the ordinary general meeting upon any significant change and at least every fourth year. Both the guidelines and the company's remuneration report on remuneration of executive personnel are available at www.gjensidige.com.

The guidelines are designed to contribute to the alignment of shareholder and employee interests. The remuneration scheme is linked to value creation over time, and is based on quantifiable factors that the employee can influence. A ceiling has been set for performance-based remuneration.

See also our remuneration report and statement on non-discrimination and equal rights which is available at www.gjensidige.com.

13. Information and communication

The Board has adopted an IR policy for the Company's reporting of financial and other investor information. It is based on openness and takes into account the requirement for equal treatment of shareholders and other stakeholders in the securities market. The IR policy also regulates the Company's contact with shareholders outside of the general meeting. The IR policy is available at www.gjensidige.com.

14. Take-overs

The Board has adopted guidelines for how the Board will respond to any takeover bids. The guidelines are in accordance with the Code of Practice. However, the Board points out that the Gjensidige Foundation owns more than 60 per cent of the shares in Gjensidige, and that a takeover bid process therefore would be an unusual situation. Regardless, the Board is prepared to engage in such dialogue out of consideration for the shareholders as a whole, and to take part in value-creating discussions with any parties with interesting value propositions.

15. The external auditor

Each year, the external auditor submits an audit plan for the year. The plan is discussed and decided upon by the Board's audit committee and is also considered in the context of other internal control and risk management

plans. The Board places great emphasis on openness in relation to the external auditor and the audit team, and on ensuring good, efficient cooperation with employees, and that the auditor has the access he/she requires. The Board has at least one meeting alone with the external auditor per year. It is the auditor who confirms to the annual general meeting that the accounts adopted by the Board are correct.

It is primarily the audit committee and the company's administration that are in day-to-day contact with the external auditor. The external auditor participates in all audit committee meetings. The nomination committee evaluates the external auditor's overall contribution and gives a recommendation on election or re-election based on the audit committee's recommendation. The nomination committee occasionally proposes changing the external auditor, irrespective of the auditor's contribution, in part to ensure new impulses and assessments, and in part to subject the audit to competitive tender.

The company has established guidelines regarding the use of the auditor by for other services than the audit.



