

GENERAL GUIDELINES FOR REMUNERATION POLICY I

TOWER GROUP A/S

(Company Registration (CVR) No: 64 13 84 13)

In order to ensure openness and transparency in relation to the most important matters about the remuneration of the company's board of directors and executive board (the "Management") and in order to meet the recommendations on good corporate governance the board of directors has decided on the following.

1 Object

1.1 In order to ensure that Tower Group's Management is able to attract and keep the best and most competent individuals, the remuneration of the Management must be competitive. The remuneration is to support a long-term value-creation for Tower Group and is to be fair in view of the Management's independent efforts, responsibility and value-creation for Tower Group.

2 Remuneration elements

2.1 Unless otherwise stipulated by the legislation in force at any time, Tower Group's remuneration policy or Tower Group's guidelines for incentive pay, the Management is able to receive the following remuneration elements:

- Fixed salary
- Performance-related/variable salary
- Pension
- Other benefits
- Severance pay/retention bonus

2.2 The above remuneration elements ensure Tower Group the flexibility and competitiveness in relation to the Management's remuneration which is necessary in order to attract and keep the best and most competent individuals. Each remuneration element has historically been used by Tower Group and has been maintained because they correspond to the remuneration elements that are offered by other companies of the same size as Tower Group and because they ensure the possibility of offering a flexible and balanced remuneration scheme at any time.

3 Remuneration structure

- 3.1 Tower Group may structure the Management's remuneration by using the elements specified in section 2.1 so that the elements that form part of the remuneration constitute a balanced and competitive remuneration scheme which is fair in view of the Management's independent efforts, responsibility and value-creation for Tower Group.
- 3.2 The board of directors' remuneration must be fixed and may not include any variable element. As a result, it is ensured that the board of directors focusses on value-creation in the long term.
- 3.3 The executive board's remuneration may include a fixed and a variable element. The detailed rules for the variable elements are described in the general guidelines for incentive pay adopted by the meeting. The composition of the remuneration of the executive board ensures that the executive board is actively motivated to create growth and value for Tower Group.

4 Remuneration information

- 4.1 The guidelines for the remuneration policy and the actual remuneration amounts paid during the financial year and the board of directors' proposed remuneration for the current financial year will be included in the annual report.
- 4.2 The description must include the board of directors' detailed reasons for the grant.

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June 2011

The board of directors