

Notice of the Annual General Meeting of Tryg A/S



The Annual General Meeting of Tryg A/S will be held on

**Friday 16 March 2018 at 15.00 CET at the company address,
Klausdalsbrovej 601, 2750 Ballerup.**

The doors will be open from 14:00 CET. Refreshments will be served after the Annual General Meeting.

A bus will drive from Malmparken Station to Tryg, free of charge. The bus will leave the parking lot at Malmparken Station at 14.15 CET and 14.40 CET and return 30 minutes after the end of the Annual General Meeting.

The agenda:

- 1) Report by the Supervisory Board on business activities in 2017
- 2) Approval of audited Annual Report for 2017
- 3) Resolution on appropriation of profits according to the adopted Annual Report
- 4) Resolution to grant discharge to the Supervisory Board and Executive Management
- 5) Approval of the remuneration of the Supervisory Board for 2018
- 6) Proposals from the Supervisory Board:
 - a) Proposal for renewal, increase and extension of authorisation to increase the share capital, cf. Articles 8 and 9 of the Articles of Association
 - b) The Supervisory Board's proposal for authorisation for buying own shares
 - c) Proposal for adjustment of new Remuneration Policy with guidelines for incentive pay
 - d) Proposal for amendment of Article 19 of the Articles of Association on election period and composition of the Supervisory Board
- 7) Election of members to the Supervisory Board
- 8) Appointment of auditor
- 9) Authorisation to the chair
- 10) Miscellaneous

Re. item 3 of the agenda:

Resolution on appropriation of profits according to the adopted Annual Report

The Supervisory Board proposes that the profit for the year DKKm 2,517 be distributed as follows: an aggregate payment of DKK 4.91 per share of DKK 5 is paid as cash dividend and the balance is transferred to retained earnings after adjustment for net revaluation according to the equity method. The total dividend is composed by DKK 1.60 per share relating to the Q4 result for 2017 as well as DKK 3.31 per share due to the extraordinary dividend of DKKbn 1 as announced at the Capital Markets Day on 20 November 2017.

Re. item 5 of the agenda:

Approval of the Supervisory Board's remuneration for 2018

The Supervisory Board proposes that the remuneration to the members of the Supervisory Board for 2018 remains unchanged at DKK 360,000 (basic fee). The Chairman receives a triple basic fee and the Deputy Chairman receives a double basic fee.

Furthermore, it is proposed that the fee to the members of the Audit Committee remains unchanged at DKK 150,000, whereas the fee to the Chairman of the Committee remains unchanged at DKK 225,000. It is proposed that the members of the Risk Committee receive an unchanged fee of DKK 140,000, whereas, the Chairman of the Committee receives an unchanged fee of DKK 210,000. Moreover, it is proposed that the members of the Remuneration Committee maintain a fee of DKK 100,000 and that the Chairman of the Committee an unchanged fee of DKK 150,000. It is proposed that the members of an ad hoc IT Data committee formed by the Supervisory Board will receive a one-off remuneration of DKK 140,000.

Re. item 6 of the agenda:

Proposals by the Supervisory Board

a) The Supervisory Board's proposal for renewal, increase and extension of the authorisation to increase the share capital, cf. Articles 8 and 9 of the Articles of Association

As part of the financing of the acquisition of the Insurance Company Alka, the Supervisory Board made use of its authorisation to increase the company share capital without pre-emption right for the existing shareholders. Pursuant to the authorisation of Article 8, sub-article 2 of the Articles of Association, the Supervisory Board was authorised until 8 March 2022 to make decisions one or more times about an increase of the share capital up to a total of DKK 137,000,000 by issuing new shares. Article 8, sub-article 1 of the Articles of Association contains a corresponding authorisation for issuing shares with pre-emption rights.

It is proposed that the authorisation is re-inserted in Article 8, sub-article 2 of the Articles of Association and that the authorisation in Article 8, sub-article 1, as in Article 8, sub-article 2, is extended with expiry 16 March 2023. At the same time, the authorisations are proposed to be increased to a nominal value of DKK 151,000,000 corresponding to an unaltered approx. 10 per cent of the company share capital. In conclusion, the Supervisory Board proposes the authorisation in Article 9 of the Articles of Association to issue employee shares to be extended correspondingly and increased to a nominal value of DKK 15,100,000 corresponding to an unchanged amount of approx. 1 per cent of the company share capital.

(i) In consequence hereof, the Supervisory Board proposes the following wording of Article 8 of the Articles of Association:

"The Supervisory Board is authorised to increase the company share capital by one or more issues with pre-emption rights to the company's existing shareholders at a total nominal value of DKK 151,000,000, cf. however sub-article 3. The authorisation shall be valid until 16 March 2023.

The Supervisory Board is authorised to increase the company share capital by one or more issues without pre-emption rights to the company's existing shareholders at a nominal value of DKK 151,000,000, cf. however sub-article 3. The increase can be carried out without pre-emption rights to the company's existing shareholders, provided the increase is made at market price or as a remuneration for the company's purchase of an existing business or certain capital assets corresponding to the value of the shares issued. The authorisation shall be valid during the period until 16 March 2023.

Pursuant to Sub-articles 1 and 2 the authorisations to the Supervisory Board may not be used to issue new shares exceeding an aggregate nominal value of DKK 151,000,000. An increase of the company share capital may be executed by a cash payment, or otherwise."

(ii) The Supervisory Board proposes the following wording of Article 9 of the Articles of Association:

"Until 16 March 2023, the Supervisory Board is authorised to one or more times increase the share capital by up to a total of DKK 15,100,000. The new shares are offered to the employees of the company and as decided by the Supervisory Board also to all or individual subsidiaries with no pre-emption rights to the other shareholders. The new shares are issued at an issue price fixed by the Supervisory Board, which may be lower than the market price."

b) The Supervisory Board's proposal for authorisation for buying own shares

The Supervisory Board proposes to be authorised by the Annual General Meeting, until 31 December 2019, to let the company acquire own shares within a total nominal value of DKK 151,000,000 (corresponding to 10 per cent of the company's share capital at the time of authorisation). After the acquiring of shares, the company's holding of own shares may not exceed 10 per cent of the share capital, at any time. The purchase price may not deviate more than 10 per cent from the price for the shares on Nasdaq Copenhagen at the time of acquisition.

c) The Supervisory Board's proposal for adjustment of Remuneration Policy and guidelines for incentive pay

In March 2017, the Annual General Meeting adopted "Lønpolitik for Tryg A/S" (Remuneration Policy for Tryg A/S), which, among other things, stipulates overall guidelines for incentive pay to the Management of the Company, cf. Section 139 of the Danish Companies Act.

The Supervisory Board proposes the following amendments:

- 1) Mutual Remuneration Policy applying to Tryg A/S and Tryg Forsikring A/S.
- 2) A catalogue of targets is included for incentive programmes. In special cases, the targets may be changed during the qualifying year.
- 3) The structure of payment for the risk-takers, and other participants of incentive programmes, is described. The structure of payment for risk-takers (except the Executive Board of Tryg A/S and Tryg Forsikring A/S) is changed to a combination of cash payments and conditional shares.
- 4) Leaders of key functions and control functions may in certain cases receive a variable pay, including one-off fees and retention bonus

- 5) Overall relaxation of the conditions for receiving a one-off fee
- 6) New provision on the possibility of making an agreement on retention bonus in special cases. The ceiling for variable pay is fixed at 100 per cent for risk-takers when granting retention bonus and/or one-off fees
- 7) Provisions are included concerning the bonus programmes already applying to employees in Tryg A/S and Tryg Forsikring A/S (employee bonus and success fee).
- 8) The framework applying to severance pay is made more generic and a provision is included concerning the possibility of agreeing on a severance pay in connection with change of ownership for risk-takers.
- 9) The framework applying to term of notice is made more generic and a possibility is included of extending the term of notice on the part of the company to 24 months in special cases. However, in future the combination of term of notice and severance pay may not exceed 24 months' pay, thereby observing the "Corporate Governance recommendations".

Consequently, the Supervisory Board proposes for the Annual General Meeting to adopt "Lønpolitik for Tryg A/S and Tryg Forsikring A/S".

d) The Supervisory Board's proposal for amendment of Article 19 of the Articles of Association on election period and composition of the Supervisory Board

The supervisory Board proposes to amend Article 19 of the Articles of Association so that (i) a board member must resign after having been a member for 12 years (previously 9 years), (ii) the requirement that the position as Chairman of the Supervisory Board is filled with the Chairman of the Supervisory Board in TryghedsGruppen smba after a transitional period, is removed, (iii) the Supervisory Board appoints one Deputy Chairman instead of two, and (iv) it is specified that in addition to an Audit Committee, the Supervisory Board sets up a Remuneration Committee.

Consequently, the Supervisory Board proposes Article 19 of the Articles of Association to be drafted as follows:

"The Supervisory Board consists of 6 to 9 members who are appointed by Annual General Meeting for one year at the time".

"At least half of the members must be appointed from candidates, who are neither (i) a member of the committee of shareholders, the Supervisory Board or Executive Management in TryghedsGruppen smba, (ii) nor have a commercial or any other kind of professional relation to TryghedsGruppen smba, or (iii) have family ties to the before-mentioned persons. The decision on whether a board member, or board member candidate, fulfils the condition of this Article 19 sub-article 2 shall be determined by the Supervisory Board.

Re-appointment can be performed.

A board member shall resign if the person in question has been a board member for 12 years. If the 12 years functioning period does not expire at an ordinary Annual General Meeting, the board member shall, however, resign no later than at the next ordinary Annual General Meeting after expiry.

In addition to the members appointed by the Annual General Meeting, the employees of the company, and company subsidiaries, nominate 4 board members, and 4 alternates for these, for one year at the time pursuant to special agreement with the staff associations in Tryg Forsikring A/S.

If the employees of the company, and the company subsidiaries, decide on company and/or Group representation in the company pursuant to the legislative rules, or if the agreement mentioned in Article 19 sub-article 5 is terminated by either party, the employees' rights to nomination shall lapse pursuant to Article 19 sub-article 5.

The Chairman shall be selected among the members appointed by the Annual General Meeting by the Supervisory Board.

The Supervisory Board appoints one Chairman.

The Supervisory Board shall be said to form a quorum when more than half of the members, including the Chairman or the Deputy Chairman, is present. All matters discussed in the Supervisory Board are decided by simple voting majority. In case of parity of votes, the proposal shall be repealed.

In a set of Rules of Procedure the Supervisory Board shall decide in more detail on the execution of its duties. The Supervisory Board shall form an Audit Committee and a Remuneration Committee and may also form board committees for preparation of the Supervisory Board's decisions."

**Re. item 7 of the agenda:
Election of members to the Supervisory Board**

In Article 19 of the Articles of Association, the Supervisory Board proposes the following:

- 1) A total of 9 members are elected for the Supervisory Board
- 2) 4 members are elected among the members of the Supervisory Board of TryghedsGruppen smba, including the Chairman of the Supervisory Board of TryghedsGruppen smba.

Due to the fact that TryghedsGruppen smba's meeting for the committee of shareholders is held on 13 March 2018, it is not possible at the time of calling the Annual General Meeting to say who the Supervisory Board will nominate as candidates under this item. The candidates will be made public at tryg.com, as soon as they are known.

- 3) 5 members are elected among candidates, who are not (i) a member of the committee of shareholders, the Supervisory Board or the Executive Management of TryghedsGruppen smba, or (ii) who do not have any type of commercial or professional relation to TryghedsGruppen smba or (iii) any kind of family relations to the beforementioned persons.

The Supervisory Board proposes that the following candidates are re-elected:

Jukka Pertola
Torben Nielsen
Lene Skole
Mari Thjømøe
Carl-Viggo Östlund

For a more detailed description of the candidates see Tryg A/S' website tryg.com.

When selecting candidates special emphasis is put on the following criteria: managerial experience, financial insight, organisation, IT, product development, communication, knowledge of markets, international experience, knowledge about insurance, reinsurance, capital requirements, general accounting insight and accounting principles (GAAP), incl. regulations and principles applying to the insurance industry and M&A experience, and at the selecting of the candidates it is sought to achieve an appropriate diversity in relation to gender, age etc.

It is the assessment of the Supervisory Board that these criteria have been observed with relation to the suggested candidates.

Subject to the amendment of Article 19 of the Articles of Association, cf. section 6 (d) above, the Chairman is elected among the members appointed by the Annual General Meeting.

**Re. item 8 of the agenda:
Appointment of auditor**

The Supervisory Board proposes to re-appoint Deloitte Statsautoriseret Revisionspartnerselskab in pursuance of the recommendation from the Audit Committee. The Audit Committee has informed the Supervisory Board of the fact that the committee in no way has been influenced by third parties or been subjected to any agreement with a third party, which would limit the appointment by the Annual General Meeting of certain auditors or accountancy firms.

**Re. item 9 of the agenda:
Authorisation to the chair**

The Supervisory Board proposes to authorise the chair to (with power of delegation) report adopted issues at the Annual General Meeting to the Danish Business Authority and the Danish Financial Supervisory Authority and to make such amendments and additions as may be required by the authorities as a condition for registration or approval.

Majority requirements

In order to adopt the proposals of the agenda items 6a and 6d approval from at least 2/3 of the votes cast and the share capital represented at the Annual General Meeting is required. The remaining proposals of the agenda may be adopted with a simple voting majority.

Share capital and voting right

The company's share capital amounts to a nominal value of DKK 1,510,739,955 distributed between 302,147,991 shares at DKK 5. Each share amount equals 500 votes.

Entitled to participate and vote are shareholders who are registered in the register of shareholders at the date of registration, or who no later than at the date of registration have reported and documented their acquisition of shares in the company with a view to registration in the register of shareholders. Date of registration is **Friday 9 March 2018**. Also, participation shall be conditional upon the shareholder having obtained the admission card in due time.

Admission cards

Shareholders, who wish to attend the Annual General Meeting, need an admission card in order to attend.

Admission cards can be ordered:

- electronically via the investorportal at the company website, tryg.com/dk or via the website of VP Investor Services, vp.dk/gf, or
- by contacting VP Investor Services on telephone 43 58 88 91, email to vpinvestor@vp.dk or fax +45 43 58 88 67.

The company or VP Investor Services shall have received the request no later than **Monday 12 March 2018 at 23:59 CET.**

A shareholder or an agent may bring an advisor to the Annual General Meeting, provided an admission card has been ordered for the advisor in due time.

Tryg A/S offers to send admission cards by email to shareholders. This requires that the shareholder's email is already registered in the Investor Portal. After registration, the shareholder will receive an electronic admission card, which must be brought to the Annual General Meeting on e.g. smart phone or tablet. If the admission card is not brought to the Annual General Meeting, access to the Annual General Meeting can be gained by presenting identification. Voting papers will be handed out at the access registration at the Annual General Meeting.

Proxy

A shareholder who is not able to attend the Annual General Meeting may choose to submit a proxy to the Supervisory Board or another named third party.

Proxy may be submitted:

- electronically via the investorportal at the company website, tryg.com/dk, or the website of VP Investor Services, vp.dk/gf, or
- by filling in, signing and sending the proxy form to VP Investor Services, Weidekampsgade 14, DK-2300 København S by mail, email to vpinvestor@vp.dk or fax +45 43 58 88 67. The proxy form can be downloaded from the company website, tryg.com/dk.

Proxies shall have been received by VP Investor Services no later than **Monday 12 March 2018 at 23:59 CET.**

Written vote

A shareholder who is not able to attend the Annual General Meeting may submit a written vote. This vote cannot be recalled.

A written vote may be submitted:

- electronically via the investor portal at the company website, tryg.com/dk or the website of VP Investor Services, vp.dk/gf, or
- by filling in, signing and sending the vote to VP Investor Services, Weidekampsgade 14, DK-2300 København S by mail, email to vpinvestor@vp.dk or by fax to +45 43 58 88 67. The written vote form may be downloaded from the company website, tryg.com/dk.

VP Investor Services shall have received all written votes no later than **Thursday 15 March 2018 at 16:00 CET.**

Please note that it is not possible to submit both proxy and a written vote.

Further information

Until the day of the Annual General Meeting the following information about the Annual General Meeting will be available on the company website:

- convening with agenda and complete proposals, including CVs of the candidates up for election for the Supervisory Board
- documents which are presented at the Annual General Meeting, including the Annual Report for 2017 and the proposed Remuneration Policy
- proxy and written vote form
- the aggregate number of shares and voting rights at the date of convening.

Questions from the shareholders

Shareholders may, prior to the Annual General Meeting, submit questions to agenda or documents presented at the Annual General Meeting in writing to the company by mail to Tryg A/S, att.: Koncernjura, Klausdalsbrovej 601, DK-2750, Ballerup. The questions must be received by Tryg no later than Monday 12 March 2018.

Ballerup, February 2018
The Supervisory Board