

Notice of the Annual General Meeting of Tryg A/S



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

**Wednesday 8 March 2017 at 15.00 CET at the company address,
Klausdalsbrovej 601, 2750 Ballerup.**

The doors will be open from 14:00 CET. After the Annual General Meeting there will be a presentation about the work of TrygFonden by Gurli Martinussen, CEO at TrygFonden. 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 return 30 minutes after the end of the Annual General Meeting.

The agenda:

- 1) Report by the Supervisory Board on business activities in 2016
- 2) Approval of revised Annual Report for 2016
- 3) Resolution on appropriation of profits or cover of losses according to the adopted annual report
- 4) Resolution to grant discharge to the Supervisory Board and Executive Management
- 5) Approval of the Supervisory Board's remuneration for 2017
- 6) Proposals by the Supervisory Board:
 - a) Proposal for reduction of the share capital
 - b) Proposal for amendments to Articles 8 and 9 of the Articles of Association on authorisation to increase the share capital
 - c) Proposal for authorisation for buying own shares
 - d) Proposal for adjustment of remuneration policy with guidelines for incentive pay
 - e) Proposal for amendment to Article 19 of the Articles of Association on election of board members
- 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 or cover of losses according to the adopted annual report

The Supervisory Board proposes that the profit for the year DKKm 2,471 be distributed as follows: DKK 3.60 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. At the same time, the Supervisory Board proposes an additional DKK 3.54 to be paid per share, resulting in a total ordinary dividend of DKK 7.14.

Re. item 5 of the agenda:

Approval of the Supervisory Board's remuneration for 2017

The Supervisory Board proposes that the remuneration to the members of the Supervisory Board for 2017 remains unchanged at DKK 360,000 (basic fee). The Chairman receives a triple basic fee and Deputy Chairmen receives a double basic fee. Furthermore, it is proposed that the members of the Audit Committee maintain a fee of DKK 150,000, however, the Chairman of the Committee an unchanged fee of 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 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, however, the Chairman of the Committee an unchanged fee of DKK 150,000. It is proposed that the members of an ad hoc IT 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 reduction of the share capital

The Supervisory Board proposes to reduce the company share capital of a nominal value of DKK 1,412,706,020 to a nominal value of DKK 1,373,739,955 by annulment of a part of the company share holdings, in total a nominal value of DKK 38,966,065 distributed between 7,793,213 shares at DKK 5.

The purpose of the reduction in the company share capital is payment to the shareholders as the own shares, which are annulled, have been bought back by the company in accordance with the authorisation from the Annual General Meeting.

Where the proposal is approved, the company's holding of own shares is reduced by 7,793,213 shares at DKK 5. These shares were bought back during the period between 6 April 2016 to 16 December 2016 for a total amount of DKK 999,999,788, corresponding to an average price of DKK 128.32 per share (rounded off), which means that in addition to the nominal reduction in capital an amount of DKK 961,033,723 has been paid to the shareholders in connection with the buy back.

Where the reduction in capital is adopted and carried out, Article 4 of the Articles of Association is amended to:

"The company capital amounts to DKK 1,373,739,955 is distributed between shares at DKK 0.01 or multiple hereof and has been paid in full. The shares are negotiable securities. The negotiability of the shares shall not be subject to any limitations. No shares shall have special rights and no shareholder shall be under duty to have his or her shares fully or partially redeemed.

b) The Supervisory Board's proposal for amendments to Articles 8 and 9 of the Articles of Association

In 2016, the Annual General Meeting adjusted the amount of the Supervisory Board's authorisation to issue new shares to DKK 141,000,000. Due to the buy back programme, it is proposed to reduce the company's share capital under item a). This means that the percentage of the authorisation has been increased compared to the reduced share capital. In order to maintain the proportionate size, it is proposed to reduce the amount in Article 8 of the Articles of Association to DKK 137,000,000, corresponding to approx. 10% of the nominal share capital, and that the amount in Article 9 of the Articles of Association is reduced to DKK 13,700,000, corresponding to approx. 1% of the nominal share capital. Also, it is proposed to extend the authorisations with one year to expiry in March 2022.

(i) The Supervisory Board proposes the following wording in Article 8 of the Articles of Association:

"The Supervisory Board is authorised to increase the share capital by issuing new shares by means of one or several issues with pre-emption rights to existing shareholders up to a nominal amount of DKK 137,000,000; however, cf. sub-clause 3. The authorisation will be valid until 8 March 2022.

The Supervisory Board is authorised to increase the share capital by issuing new shares by means of one or several issues without pre-emption rights to existing shareholders up to a nominal amount of DKK 137,000,000; cf. sub-clause 3. The increase may be effected without pre-emption rights to the existing shareholders provided that this is made at market price or as consideration for the company's acquisition of an existing undertaking or certain assets at a value which off-sets the value of the issued shares. The authorisation will be valid until 8 March 2022.

The Supervisory Board's authorisation under sub-clauses 1 and 2 may together maximum be used for issuing new shares up to a total nominal value of DKK 137,000,000. The increase of the share capital may be effected for cash or other consideration."

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

"The Supervisory Board is authorised to increase the share capital by one or more issues of new shares up to a total nominal amount of DKK 13,700,000. This authorisation is valid until 8 March 2022. The new shares shall be offered to employees of the company and, as resolved by the Supervisory Board, employees of all or some subsidiaries without pre-emption rights to existing shareholders. The new shares shall be issued at a price to be determined by the Supervisory Board, which may be below market price."

c) 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 2018, to let the company acquire own shares within a total nominal value of DKK 137,000,000 (corresponding to 10% 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% of the share capital, at any time. The purchase price may not deviate more than 10% from the price for the shares on Nasdaq Copenhagen at the time of acquisition.

d) The Supervisory Board's proposal for adjustment of remuneration policy and guidelines for incentive pay

In March 2016, 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:

- It is specified that the remuneration policy applies to Tryg as a whole and contains general conditions for remuneration.
- The ceiling of allotment of variable salary (Matching Shares) to the Executive Management is changed from 25% to 50% of the fixed basic fee including pension.
- Specification of conditions for matching shares as well as introduction of a clause on adjustment of dividend pursuant to which the number of shares, which the Manager receives after 4 years, is adjusted corresponding to the dividend paid out during that period.
- Introduction of a special clause concerning the CEO's matching shares programme pursuant to which his position shall be equal to if he had been fired by the company, should he decide to resign, when he has been part of the Executive Management for 17 years.

Consequently, the Supervisory Board proposes for the Annual General Meeting to adopt "Lønpolitik for Tryg A/S" and to change the date of the latest approval in Article 21 in the Articles of Association to "8 March 2017".

e) The Supervisory Board's proposal for amendment of Article 19 of the Articles of Association concerning appointment of members to the Supervisory Board

The supervisory Board proposes to amend Article 19 of the Articles of Association so that (i) the number of board members in the future may vary between 6 and 9, (ii) the requirement that the position as Chairman of the Supervisory Board is filled with the Chairman of the Supervisory Board in TryghedsGruppen smba is removed, after a transitional period, (iii) the Supervisory Board may appoint one or two Deputy Chairmen, and (iv) the provision defining that the Chairman's vote shall be decisive in case of parity of votes, and the provision defining that board members must resign when they turn 70, are both removed.

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-clause 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 9 years. If the 9 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-clause 5 is terminated by either party, the employees' rights to nomination shall lapse pursuant to Article 19 sub-clause 5.

As of the ordinary Annual General Meeting in 2018, the Chairman shall be selected among the members appointed by the Annual General Meeting by the Supervisory Board. Until then the Chairman of TryghedsGruppen smba, residing at any time, shall be the Chairman of the company.

The Supervisory Board appoints one or two Deputy Chairmen.

The Supervisory Board shall be forming a quorum when more than half of the members, including the Chairman or one of the Deputy Chairmen, 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 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**

According to 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 6 March 2017, 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:

Torben Nielsen
Lene Skole
Mari Thjømøe
Carl-Viggo Østlund

The Supervisory Board will nominate one further independent candidate at the Annual General Meeting. Name and CV of the candidate will be announced no later than at the Annual General Meeting.

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.

**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 in no way 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, 6b and 6e 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 1,412,706,020 distributed between 282,541,204 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 Wednesday 1 March 2017. 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 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 **Friday 3 March 2017 at 23:59 pm.**

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.

As a new feature, 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.

Proxies

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, 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, postboks 4040, 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.

Proxies shall have been received by VP Investor Services no later than **Friday 3 March 2017 at 23:59 pm.**

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 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, postboks 4040, 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 **Tuesday 7 March 2017 at 16:00 pm.**

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 2016 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 Friday 3 March 2017.

Ballerup, February 2017

The Supervisory Board