

Tryg A/S
CVR no. 26 46 02 12

Tryg A/S held its annual general meeting on Friday, 15 March 2019, at 3.00 pm, at the address Klausdalsbrovej 601, 2750 Ballerup, Denmark.

The annual general meeting was attended by shareholders, the Supervisory Board, the Executive Board, the company's auditors and a number of special invitees.

The Chairman of the Supervisory Board welcomed the participants to the annual general meeting. The Chairman informed the participants that, pursuant to Article 15 of the Articles of Association, the Supervisory Board had appointed lawyer Klaus Søgaaard as chair of the meeting. The Chairman then gave the floor to Klaus Søgaaard.

The chair of the meeting thanked the Supervisory Board for the appointment and ascertained that the annual general meeting had been convened by advertisement in the Danish daily newspaper Berlingske Tidende on 9 February 2019, at the company's website on 8 February 2019, by company announcement and by written notice to all shareholders registered in the register of shareholders, who had so requested. The notice convening the annual general meeting contained a specification of the time and place of the meeting as well as the agenda for the annual general meeting in pursuance of Article 16 of the Articles of Association.

Furthermore, the agenda, the full proposals, a proposal for a new remuneration policy, revised Articles of Association and the annual report had been available for inspection at the company's office within the time limits laid down in the Articles of Association.

There were no comments on this from the annual general meeting.

As regards attendance by shareholders, the chair of the meeting stated that a total of 243 admission cards had been requested, including 164 for shareholders. Moreover, 20 shareholders had issued proxies to the Supervisory Board, and 619 shareholders had voted in advance. The chair of the meeting stated that 78% of the company's capital was represented at the general meeting, of which TryghedsGruppen smba accounted for the majority.

The chair of the meeting ascertained that the annual general meeting had been duly convened in accordance with the rules of the Danish Companies Act (*Selskabsloven*) and the Articles of Association and formed a quorum in any and all respects.

The agenda was as follows:

- 1)** Report by the Supervisory Board on business activities in 2018
- 2)** Approval of the audited Annual Report for 2018
- 3)** Resolution on appropriation of profits according to the adopted Annual Report
- 4)** Resolution to grant discharge to the Supervisory Board and the Executive Board
- 5)** Approval of the remuneration of the Supervisory Board for 2019
- 6)** Proposals from the Supervisory Board
 - a) Proposal for renewal and extension of the existing authorisation to increase the share capital, cf. Articles 8 and 9 of the Articles of Association
 - b) Proposal for renewal and extension of the existing authorisation for buying own shares
 - c) Proposal for adjustment of Remuneration Policy with guidelines for incentive pay

- 7) Election of members to the Supervisory Board
- 8) Appointment of auditor
- 9) Authorisation to the chair
- 10) Miscellaneous

The chair of the meeting stated that items 1-5 on the agenda would be presented together.

The chair of the meeting then gave the floor to the Chairman of the Supervisory Board.

Re items 1-5 on the agenda

The Chairman of the Supervisory Board stated that 2018 was a year of progress in many areas. Customer satisfaction with Tryg continued to grow, and renewal rates were up in both Denmark and Norway. Driven in particular by the claims initiatives, the underlying claims ratio continued to improve. In addition, 2018 saw the final approval of the Alka acquisition.

The technical result totalled DKK 2,826 million exclusive of Alka and DKK 2,766 million, when including Alka. The result was positively impacted by a low expense ratio and a higher run-off gain, but the result was also affected by one-off costs relating to Alka and an increased level of weather and storm-related claims. The technical result, exclusive of Alka, was almost DKK 40 million higher than in 2017.

The Chairman mentioned the four strategic initiatives defined by Tryg in 2018, which aim at contributing to ensure that Tryg realises the financial targets set for 2020. One of the four initiatives – claims excellence – is aimed at leveraging Tryg’s procurement power to reduce the cost of repair services. Tryg also has a strong focus on the digital empowerment of customers. Distribution costs account for the largest share of expenditure, and a large number of initiatives have therefore been launched to try to reduce these costs, among other things through the development of more efficient distribution channels. Finally, targeted efforts are going into product innovation, among other things because of the expectation that in step with the development of more advanced cars, motor insurance will, going forward, account for less of Tryg’s business.

The Chairman of the Supervisory Board stated that gross premium income, exclusive of Alka, was up 4.1% in 2018, which represents significantly higher growth than in 2017, which saw growth of 1.7%. The positive development was driven mainly by the development in Private, fuelled, among other things, by high sales levels, which were further reinforced by the conclusion of a partnership agreement with FDM Forsikring in Denmark and the acquisition of OBOS in Norway, as well as improved retention rates in both Denmark and Norway.

Tryg has a strong customer focus and has defined specific customer targets to be realised by the end of 2020. With a Transactional Net Promotor Score (TNPS) of 67 in 2018, Tryg is well on its way to realising the target of a TNPS score of 70 in 2020. The number of products per customer increased further to 3.8 in 2018 against 3.5 in 2017, and Tryg is thus well on its way to achieving the target of four products per customer in 2020.

Tryg wants to deliver a stable and growing dividend to its shareholders and to also maintain a solid capital base, which is deemed key to customer, employee and shareholder confidence. At the end of 2018, Tryg’s capital base was 65% higher than the capital requirement.

Tryg is strongly focused on paying out dividend to shareholders, and in 2017 Tryg therefore started disbursing dividend on a quarterly basis. In 2018, total dividends of DKK 1,996 million was disbursed in connection with the quarterly results, corresponding to DKK 6.60 per share. Thus, Tryg continues to pay out steadily increasing dividends, which is also the plan going forward. As dividends have been disbursed after each quarter, no dividend will be distributed following the general meeting. Also, following the acquisition of Alka, Tryg announced that, unlike previous years, no extraordinary dividend would be paid out after the general meeting in 2018.

Tryg's financial targets for the period up until the end of 2020 are a technical result of DKK 3.3 billion, a return on equity of 21% or more after tax, a combined ratio of 86 or less and an expense ratio of about 14.

It is the Supervisory Board's aim to make the Tryg share an attractive investment for Danish and foreign investors alike and for both private and professional investors. The Tryg share is a stable and long-term investment which should provide a healthy return with low risk. We value the support and trust shown in us both by our Danish and by many foreign shareholders.

The Chairman of the Supervisory Board then gave the floor to Morten Hübbe, who elaborated on Tryg's results and development in 2018.

Morten Hübbe confirmed that 2018 was an eventful year for Tryg. Among other things, Tryg entered into strategic partnership agreements with, for example, GoMore, Danske Bank and the Norwegian Society of Engineers and Technologists (NITO) as well as the acquisition of Troll Forsikring and Alka and the appointment of both a new CCO and a new CFO.

In 2018, Tryg also welcomed 370,000 new customers and 460 new employees in connection with the acquisition of Alka.

Morten Hübbe mentioned Tryg's four strategic objectives for 2020: (i) product & service innovation, (ii) digital empowerment of customers, (iii) distribution efficiency, and (iv) claims excellence.

Tryg has successfully developed a number of new and exciting products and services, including a number of insurance packages and 'Tryg Overskud'. The more products Tryg can supply, the better the service we can provide and the stronger the foundation for the company. Alka's and Tryg's digital solutions continue to develop positively. Moreover, Tryg has strengthened its distribution power in the entire Nordic region through the conclusion of strategic partnerships with, for example, Danske Bank and NITO. As a major initiative in the current strategy period, Tryg has moreover invested in a new claims management system (Guidewire) in support of our claims excellence.

Following the acquisition of Alka, Tryg is able to further develop the digital solutions which have been in the pipeline for some time. Alka complements Tryg, and Tryg and Alka are even stronger together.

Morten Hübbe then elaborated on the positive development in gross premium income, which was up 4.1% in 2018 against 1.7% in 2017. Based on Tryg's healthy core business, the technical result also developed positively in 2018, up 1.3% from DKK 2,789 million in 2017 to DKK 2,826 million in 2018 (exclusive of Alka).

Despite heavy investments in IT implementation, the expense ratio for 2018 was unchanged. A negative investment return of DKK 332 million against a positive return of DKK 527 million the year before reduces the profit before tax (excluding Alka).

Morten Hübbe explained that Alka's technical result for 2018 was better than anticipated and that the planned synergies are beginning to be realised.

In 2019, Tryg's Danish customers will again receive a bonus from TryghedsGruppen as TryghedsGruppen has decided to pay out bonuses of approximately DKK 925 million, which corresponds to about 8% of the premiums paid for 2018. Approximately 71% of the customers who have received a bonus are aware that they have received a bonus. Approximately 21% of customers are not yet aware of the bonus scheme, and something must be done about it.

The Chairman of the Supervisory Board expressed his thanks for the impressive results for 2018. In accordance with the Recommendations on Corporate Governance, he then reported on the Supervisory Board's self-assessment work.

The Supervisory Board conducts an annual self-assessment of its collaboration with the Executive Board. In 2018, external assistance was called in in connection with the evaluation. The process included the completion of a questionnaire by the individual members of the Supervisory Board. The results were then discussed by the Supervisory Board. The Supervisory Board concluded that there was a need to strengthen interaction with the Supervisory Board in relation to IT/digitalisation, and that there is a need for the Supervisory Board to focus on talent development and succession. Against this background, the Supervisory Board has established a committee dealing with IT, digitalisation and data. At the Supervisory Board's strategy seminar in June 2018, the issue of succession was considered in more depth, and the issue will also be discussed at the next strategy seminar in 2019.

In 2018, the Supervisory Board adopted a competency and diversity policy for the purpose of ensuring a continued focus on board succession and competencies and also of ensuring diversity on the Supervisory Board. Moreover, the Nomination Committee was strengthened further in November 2018 through the appointment of another committee member.

On behalf of the Supervisory Board, the Chairman of the Supervisory Board then presented the Supervisory Board's proposal that the profit for the year of DKK 1,731 million be retained after adjustment for net revaluation in accordance with the equity method.

The Chairman of the Supervisory Board then outlined the proposed remuneration of the Supervisory Board for 2019. At the general meeting in 2018, it was mentioned that an adjustment of the remuneration of the Supervisory Board was due in 2019.

The Supervisory Board proposed an increase of the fixed annual fee from DKK 360,000 to DKK 390,000. The remuneration received by the Chairman of the Supervisory Board will still be three times that received by ordinary members of the Supervisory Board, while the Deputy Chairman's remuneration will still be twice that received by ordinary members.

Moreover, Supervisory Board members who are also members of the Audit Committee and the Risk Committee receive an annual fee of DKK 160,000, and members of the Remuneration Committee receive an annual fee of DKK 110,000. It was also proposed that members of the Nomination Committee be remunerated with DKK 100,000 a year, and that members of the IT Data Committee, a newly established permanent committee, be remunerated with DKK 140,000 a year.

The chairmen of the various committees receive one and a half times the fixed fee paid to committee members.

In addition, the Supervisory Board proposes that members of the IT Data Committee be paid a lump sum of DKK 140,000 for their work in 2018/2019 (up until 1 April 2019).

The Chairman then briefed the meeting on the remuneration of the Executive Board in 2018 and the expected remuneration for 2019. The Chairman stated that the Executive Board's remuneration in 2018 was based on a fixed salary and that the only variable pay element in the general incentive programme was the option to buy matching shares. One-off bonuses have been paid to the Group CEO and one Group Executive Vice President based on their efforts in connection with the Alka transaction.

The chair of the meeting asked whether there were any comments on the annual report, the Supervisory Board's report or the proposal for the appropriation of profit.

Jens Frederik Demant was critical of the multiples applied for the Chairman and the Deputy Chairman, including specifically the fact that the Chairman's remuneration is three times that of the ordinary members of the Supervisory Board, while the Deputy Chairman's remuneration is twice that of the ordinary members.

The Chairman of the Supervisory Board replied that the remuneration paid to the members of the Supervisory Board, including the multiples applied, is commensurate with remuneration levels in peer companies.

As there were no further comments, the chair of the meeting ascertained that the annual general meeting:

- 1) adopted the Supervisory Board's report,
- 2) adopted the annual report for 2018,
- 3) supported the proposal for the appropriation of profit as stated in the income statement on page 107 of the annual report,
- 4) discharged the Supervisory Board and the Executive Board from their obligations, and
- 5) adopted the remuneration of the Supervisory Board for 2019.

Re item 6 on the agenda

The chair of the meeting ascertained that no proposals had been submitted by the shareholders and outlined the Supervisory Board's proposals for:

- a) Renewal and extension of the existing authorisation to increase the share capital

The Supervisory Board proposed that the Supervisory Board's existing authorisation to increase the share capital – with and without pre-emption rights for the existing shareholders – by a total nominal value of DKK 151 million, corresponding to an unchanged approximately 10% of the share capital, be renewed and extended until 15 March 2024 with reference to Article 8 of the Articles of Association.

At the same time, the Supervisory Board proposed that the Supervisory Board's authorisation as per Article 9 of the Articles of Association to issue employee shares with a total nominal value of DKK 15.1 million, corresponding to an unchanged approximately 1% of the share capital, be renewed and extended until 15 March 2024.

The chair of the meeting noted that the proposals were adopted.

The chair of the meeting then gave an account of the Supervisory Board's proposal for:

- b) Authorisation for buying own shares

The Supervisory Board proposed that the annual general meeting renew and extend the existing authorisation of the Supervisory Board to let the company buy own shares up to a total nominal value of DKK 151 million until 31 December 2020, corresponding to 10% of the share capital. The company's holding of own shares after the acquisitions must not exceed 10% of the company's share capital at any given time. The purchase price must not deviate by more than 10% from the market price at the time of purchase.

The chair of the meeting noted that the proposal was adopted.

The chair of the meeting then gave the floor to the Chairman of the Supervisory Board for a detailed justification of item 6c.

c) Adoption of the 'Remuneration policy for Tryg' as recommended for adoption by the Supervisory Board on 21 January 2019.

The Chairman of the Supervisory Board gave an account of Tryg's remuneration policy, which underwent a major alteration last year.

The Chairman of the Supervisory Board accounted for the most significant changes to the remuneration policy, including the introduction of remuneration for the Nomination Committee and the IT Data Committee, the clarification of the Executive Board's incentive programme, which does not include a Tryg factor, the change of the Executive Board's incentive programme from a payout structure involving matching shares to contingent shares, the standardisation of the terms and conditions for the disbursement of one-off bonuses and retention bonuses and the inclusion of a defined group of employees who will be transferred from Alka to Tryg Forsikring A/S in connection with the merger of the two companies, ensuring that these employees maintain their terms and conditions of employment.

The Chairman of the Supervisory Board stated that the proposed changes to the Executive Board's incentive programme are based on the fact that the existing matching shares programme has given rise to increasing recruitment challenges as well as liquidity-related challenges, requiring a high level of own investment. The Supervisory Board therefore sees a need to change the payout structure of the Executive Board's incentive programme.

The chair of the meeting noted that all proposals under item 6 of the agenda were adopted by the required majority.

Re item 7 on the agenda

The chair of the meeting then accounted for the proposal for election of Supervisory Board members and explained that as per the Articles of Association, the Supervisory Board must consist of 6-9 members elected by the general meeting, of whom at least half must be independent from TryghedsGruppen smba.

The chair of the meeting then gave the floor to the Chairman of the Supervisory Board for a detailed presentation of the individual candidates.

The Chairman of the Supervisory Board introduced the three candidates from TryghedsGruppen: Karen Bladt, Claus Wistoft and Ida Sofie Jensen. The Chairman gave an account of the candidates' executive positions in other commercial enterprises.

The Chairman of the Supervisory Board then presented the five independent candidates nominated by the Supervisory Board. The Supervisory Board nominated Jukka Pertola, Torben Nielsen, Lene Skole, Mari Thjømmøe and Carl-Viggo Östlund for reelection. The Chairman gave an account of the candidates' executive positions in other commercial enterprises.

The Chairman of the Supervisory Board referred to the CVs of the Supervisory Board members which can be found on the company website.

The chair of the meeting asked whether there were any questions or other candidates, after which the general meeting elected the eight candidates: Jukka Pertola, Torben Nielsen, Mari Thjømmø, Lene Skole, Carl-Viggo Östlund, Karen Bladt, Claus Wistoft and Ida Sofie Jensen.

The Chairman of the Supervisory Board welcomed Karen Bladt and Claus Wistoft to the Supervisory Board.

The chair of the meeting then mentioned that in addition to the eight members elected by the general meeting, the Supervisory Board consists of four employee representatives, who are elected by Tryg's employees, and then gave the floor to the Chairman of the Supervisory Board.

The Chairman of the Supervisory Board mentioned that the four employee representatives are the two Danish employees Tina Snebjerg and Lone Hansen, the Norwegian employee Tom Eileng and the Swedish employee Elias Bakk.

Re item 8 on the agenda

The chair of the meeting accounted for the proposal to reelect Deloitte Statsautoriseret Revisionspartnerselskab as auditors.

The chair of the meeting noted that the Audit Committee has informed the Supervisory Board of the fact that the committee has not been influenced by third parties, nor has it been subject to any agreements with third parties restricting the general meeting to appoint certain auditors or audit firms.

The chair of the meeting asked whether there were any questions or other candidates, after which the general meeting appointed Deloitte Statsautoriseret Revisionspartnerselskab as the company's auditors.

Re item 9 on the agenda

The annual general meeting authorised the chair of the meeting (with a right of substitution) to notify the adopted resolutions to the Danish Business Authority and the Danish Financial Supervisory Authority, including to make such changes and amendments as might be required by the authorities as a condition for registration or approval.

Re item 10 on the agenda

No issues for consideration under this item.

The chair of the meeting gave the floor to the Chairman of the Supervisory Board.

The Chairman of the Supervisory Board thanked the retiring Board members Jesper Hjulmand and Anders Hjulmand for their cooperation and for their contributions to the work of the Supervisory Board. The Chairman then thanked everybody for coming to the meeting.

The annual general meeting adjourned.

As chair of the meeting:

Lawyer Klaus Søgaard