

To: The general meeting of Gjensidige Forsikring ASA
From: The Board of Directors
Date: 20 March 2012

Acquisition of own shares

The general meeting has authorised the Board of Directors to acquire own shares. This was decided by the annual general meeting on 27 April 2011. The authorisation was valid until the annual general meeting in 2012.

The authorisation to acquire own shares concerns:

a) Authorisation to acquire shares in the market for the purpose of implementing the share savings programme for employees

It is proposed that the general meeting authorise the Board of Directors to acquire own shares in the market in order to implement the share savings programme adopted by the Board of Directors. The purpose of this programme is to promote a good business culture and loyalty through employees becoming part-owners in the Group.

The Board of Directors proposes that the authorisation be renewed in order to enable the company's share savings programme to continue.

Recommendation:

'The Board of Directors is hereby authorised to acquire Gjensidige shares in the market on behalf of the the Company. The authorisation can be used to purchase own shares with a total nominal value of up to NOK 1,000,000.

Shares acquired in accordance with the authorisation may only be used for sale and transfer to employees of the Gjensidige Group as part of the Group's share savings programme approved by the Board of Directors. The minimum and maximum amounts that can be paid per share are NOK 20 and NOK 200, respectively.

The authorisation is valid until the next annual general meeting, no longer, however, than until 30 June 2013.'

b) Authorisation for the acquisition of shares in the market for either subsequent cancellation or for use as a consideration in connection with the acquisition of enterprises.

The Board of Directors requests authorisation to repurchase up to 25,000,000 own shares in the market (5% of the Company's share capital) in accordance with the Public Limited Liability Companies Act section 9-4.

Such authorisation is common in several listed companies. The repurchase of own shares benefits the shareholders since the ownership interest of the remaining shares in the Company will be higher.

The reason for this authorisation is to enable the Board to utilise the mechanisms provided for in the Public Limited Liability Companies Act in relation to the distribution of capital to the Company's shareholders. The repurchase of own shares could also be an important means of continuous adaptation to an expedient capital structure, as set out in the dividend policy adopted by the Board of Directors.

It is a precondition that the repurchased shares that are not used in consideration for the acquisition of enterprises are subsequently cancelled by resolution of a new general meeting to reduce the Company's capital. It is also a precondition for the purchase and cancellation of own shares that the Gjensidige Foundation's percentage ownership interest in Gjensidige Forsikring ASA is not changed as a result of the repurchase.

In order to ensure this, it will be necessary, at the general meeting that is to decide the cancellation of the repurchased shares, to also put forward a proposal for redemption of a proportion of the Gjensidige Foundation's shares, so that the Gjensidige Foundation's ownership interest in the Company does not increase as a result of the repurchase programme. The Board of Directors' request for authorisation to repurchase own shares therefore presupposes that Gjensidige Forsikring ASA and the Gjensidige Foundation enter into a prior agreement in which the Gjensidige Foundation undertakes to vote for the authorisation to acquire own shares, their subsequent cancellation and the redemption of a corresponding number of the Gjensidige Foundation's shares. Such an agreement will be based on the principle that, on redemption of the shares, the price to be paid to the Gjensidige Foundation for each share shall correspond to the volume-weighted average price that Gjensidige Forsikring ASA has paid for the shares purchased in the market plus interest compensation calculated from the time of each repurchase until payment is made.

Recommendation:

'The Board of Directors of Gjensidige Forsikring ASA is hereby authorised on behalf of the Company to acquire Gjensidige shares in the market with a nominal value of up to NOK 50,000,000. The minimum and maximum amounts that can be paid per share are NOK 20 and NOK 200, respectively. Within these limits, the Board of Directors decides at what prices and at what times such acquisition shall take place.

Own shares purchased in accordance with this authorisation can only be used for cancellation through a capital reduction, cf. the Norwegian Public Limited Liability Companies Act section 12-1, or before such time as consideration in connection with the acquisition of enterprises.

The authorisation is valid until the next annual general meeting, no longer, however, than until 30 June 2013.'

Inge K Hansen
Chair of the Board