

To: The General Meeting of Gjensidige Forsikring ASA
From: The Board of Directors
Date: 25 March 2011

Acquisition of own shares

The General Meeting has given the Board the authority to acquire Gjensidige's own shares. This authority was given in an extraordinary General Meeting on 24 August 2010. The authority is valid until the forthcoming ordinary General Meeting. The Board proposes to ask for a renewed authority valid until the ordinary General Meeting in 2012 but not beyond 30 June 2012.

The authority to acquire our own shares is in regards to:

a) Authority for the acquisition of shares in the market for the implementation of the employee share ownership programme.

It is proposed that the General Meeting give the Board the authority to acquire shares in the market in order to implement the employee share ownership programme approved by the Board.

Recommendations:

"The Board of Directors is granted the authority to acquire Gjensidige shares in the market on behalf of the Company. This authority can be utilised to acquire Gjensidige's own shares with an aggregate nominal value of up to NOK 3,000,000.

Shares acquired in accordance with the authority can only be sold or transferred to employees of the Gjensidige Group as part of the Group's employee share ownership programme that the Board has approved. The minimum and maximum amounts that may be paid per share shall be NOK 20 and NOK 200 respectively.

This authority applies up to the next ordinary General Meeting, but no later than 30 June 2012."

b) Authority for the acquisition of shares in the market either for subsequent cancellation or to be used as remuneration in the purchase of businesses

The Board asks the General Meeting for the authority for the buyback of up to 25,000,000 own shares (equivalent to 5% of the company's share capital) pursuant to the Public Limited Liability Companies Act § 9-4.

The buyback of own shares benefits the shareholders because the remaining shares will have a greater ownership percentage in the company.

The reason for the need for such an authority is to give the Board the opportunity to use those mechanisms that the Public Limited Liability Companies Act provides with regards to the distribution of capital to the company shareholders. The buyback of the Company's own shares may also be an important measure for achieving a continuous adjustment to an appropriate capital structure, which is conveyed through the dividend policy set by the Board.

It is a prerequisite that the buyback shares that are not used as compensation in the acquisition of businesses later be cancelled by a decision on capital reduction by a new General Meeting. It is also a prerequisite for the buyback and cancellation of Gjensidige's own

shares that the Gjensidige Foundation's percentage ownership of Gjensidige Forsikring ASA remains unchanged.

To achieve this goal, a proposal for the redemption of some of the shares owned by the Gjensidige Foundation will be made to the General Meeting that determines the cancellation of the Gjensidige shares that have been bought back. This redemption will ensure that the Foundation's ownership share of the company does not increase as a result of the buyback programme. The Board's request for the authority to buyback Gjensidige's own shares therefore assumes that Gjensidige Forsikring ASA and the Gjensidige Foundation first have entered an agreement in which the Gjensidige Foundation commits to vote for the authority to acquire own shares, the later cancellation of these shares, as well as the redemption of a corresponding number of the Gjensidige Foundation's shares. Such an agreement will include an arrangement in which at the redemption of the shares the Gjensidige Foundation is paid a share price that is the equivalent to a volume weighted average of the share price that Gjensidige Forsikring ASA has paid for its shares in the market, plus an interest rate compensation, calculated from the time of each buyback and until payment takes place.

Recommendations:

"The Board of Directors of Gjensidige Forsikring ASA is granted the authority to acquire Gjensidige shares in the market on behalf of the Company at a nominal value of up to NOK 50,000,000. The minimum and maximum amounts that may be paid per share shall be NOK 20 and NOK 200 respectively. Within these limits, the Board of Directors itself decides the prices and the time at which the acquisition will take place.

Own shares acquired in accordance with this authority may only be employed for cancellation through a capital reduction, cf. Section 12-1 of the Act relating to Norwegian Public Limited Companies, or prior to this date as compensation in the purchase of operations.

The authority is valid up to the next ordinary general meeting, but no later than to 30 June 2012."

Inge K. Hansen
Chairman of the Board