

Appendix to Company Announcement 60/2016

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STATEMENT BY THE BOARD OF DIRECTORS OF TOPDANMARK A/S REGARDING THE MANDATORY TAKE-OVER BID MADE BY SAMPO PLC ON 27 SEPTEMBER 2016

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Appendix 1 Shares and share options held by the Board of Directors and the Executive Board

STATEMENT BY THE BOARD OF DIRECTORS OF TOPDANMARK A/S UNDER SECTION 23 OF THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S EXECUTIVE ORDER NO. 562 OF 2 JUNE 2014 IN CONNECTION WITH THE MANDATORY PUBLIC TAKEOVER BID MADE ON 27 SEPTEMBER 2016 BY SAMPO PLC.

1. INTRODUCTION

1.1 The Mandatory Bid

On 7 September 2016, Sampo plc (the "**Offeror**" or "**Sampo**") announced its acquisition of 31,676,920 shares in Topdanmark A/S (the "**Company**" and together with its consolidated companies "**Topdanmark**") representing 33.34% of the share capital and voting rights in the Company. Consequently, and in accordance with Danish Consolidated Act no. 1530 of 2 December 2015 on securities trading etc. (the "**Securities Trading Act**"), the Offeror was allowed four weeks counting from 7 September 2016 to make a mandatory takeover bid to the Company's shareholders (the "**Shareholders**").

The mandatory takeover bid (the "**Bid**" or "the **Mandatory Bid**") was announced on 27 September 2016. The terms of the Bid are set out in the offer document prepared by the Offeror and approved by the Financial Supervisory Authority (the "**Offer Document**").¹

In connection with the Mandatory Bid, the Offeror offers the Shareholders to buy all of their shares in the Company (the "**Shares**") in consideration for a cash payment of DKK 183 per Share of a nominal value of DKK 1 (the "**Offer Price**").

The Bid is open from 27 September until 25 October 2016 at 4 pm (CET) or until expiry of any extended offer period as specified by the Offeror in the Offer Document (the "**Offer Period**").

The Bid does not contain or constitute an offer of, or the solicitation of an offer to purchase or subscribe for, securities to any person in the United States of America, Australia, Canada, Japan, South Africa, Hong Kong or in any other jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction. Further, the Bid does not include the Company's holding of own Shares.

Reference is made to the Offer Document in which the terms of the Bid are specified in more detail.

1.2 Purpose

The board of directors of a listed company for which a public takeover bid is made must issue a statement under section 23(1) of the Danish Executive Order no. 562/2014 on Takeover Bids (the "**Executive Order on Takeover Bids**"). In the statement, the Board must explain its view on the bid, the reasons for such view, including its view on the consequences of the bid for all of the Company's stakeholders and the bidder's strategic plans with the target company and their likely consequences for employment and for the establishments referred to in the Offer Document.

¹ The Offer Document is with certain restrictions available on <http://inv.topdanmark.com/disclaimer.cfm>

1.3 **Applicable legislation, etc.**

This statement is issued by the Company's board of directors (the "**Board of Directors**") for the purpose of complying with the obligations set out in section 23 of the Executive Order on Takeover Bids. As described in paragraph 4.1 below, Torbjörn Magnusson, CEO of Sampo's wholly-owned subsidiary If P&C Insurance Holding Ltd. (publ) ("**If**") and member of Sampo's executive committee has not participated in any of the meetings of the Board of Directors when considering the Bid. Therefore, the analyses etc. made by the Board of Directors which are referred to in this statement and the conclusion reached in paragraph 2 do not necessarily reflect Torbjörn Magnusson's view on the Bid.

The statement is subject to Danish law.

The statement has been prepared in both a Danish and an English language version. In case of any inconsistency between the two versions, the Danish language version will prevail.

Certain matters addressed in this statement may constitute forward-looking statements. Forward-looking statements are statements which are not historical facts and which are characterised by words such as "assesses", "believes", "expects", "assumes", "anticipates", "contemplates", "intends", "estimates", "will", "may", "continues to", "should" and similar expressions. In this statement forward-looking statements are based on a number of assumptions, many of which are based on further assumptions. While the Company believes these assumptions to be reasonable at the time they are made, they are by their nature associated with significant known and unknown risks, uncertainties, unforeseen events and other material matters which are difficult or impossible to predict or which are outside the Company's control. Such risks, uncertainties, unforeseen events and other material matters may cause actual events to differ significantly from the expectations expressed or implied in relation to the forward-looking statements.

The statement is aimed at those of the Shareholders to whom the Bid is made. Reference is made to paragraph 1.1 above, stating that the Mandatory Bid is not aimed at Shareholders resident in the USA and in a number of other jurisdictions as specified in the Offer Document.

1.4 **Sources of information**

The information in this statement relating to the Offeror has been obtained from sources which are accessible to the public, and the statement also includes references or quotations from the Offer Document. The Company accepts no responsibility or liability whatsoever for: 1) the accuracy or completeness of such information or 2) any failure by the Offeror to disclose information about events which may have occurred or which may affect the meaning or accuracy of such information. The Offer Document is not an integral part of this statement.

The statement includes a number of references to information, etc. which is available on Topdanmark's website <http://www.topdanmark.com/en/>. The content on Topdanmark's website is not part of this statement.

2. **CONCLUSION**

The Board of Directors does not recommend the Shareholders to accept the Bid.

The Board of Directors' recommendation is based on an overall assessment of all of the circumstances available to the Board of Directors relating to the Mandatory Bid, including the advantages and disadvantages for the Shareholders.

In the opinion of the Board of Directors, the Offer Price does not represent an attractive offer price from a financial point of view in a public tender offer. The Offer Price has been based on the price at which the Company's Shares were traded on Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") on the date when the obligation to make a mandatory bid arose. The Offer Price does not include any premium as is usually offered in connection with a public tender offer for the shares in a listed company.

The Board of Directors' recommendation is supported by an opinion, which the Board of Directors has obtained from its financial adviser J.P. Morgan Limited.

The Board of Directors points out the following additional considerations to the Shareholders:

The Offer Price gives the Shareholders an opportunity to sell their Shares at a price which cannot necessarily be obtained if the share price declines after the expiry of the Offer Period as a result of events related or unrelated to Topdanmark.

As long as the Offeror continues to hold at least 1/3 of all Shares and voting rights in the Company, the Offeror may increase its stake in the Company after expiry of the Offer Period without being required to make a new offer to the Shareholders

Any potential future changes to Topdanmark's circumstances, e.g. regarding its strategy or shareholder remuneration policy will not oblige the Offeror to make a new offer to the Shareholders.

The conclusion above should be read in conjunction with the complete statement.

3. THE BACKGROUND FOR THE BOARD OF DIRECTORS' ANALYSIS OF THE MANDATORY BID

3.1 Topdanmark's activities and strategy

Topdanmark's history dates back to the end of the nineteenth century where the insurance companies "Mejeriernes Ulykkesforsikring" (MLU) and "Arbejdsgivernes Ulykkesforsikring" (AU) were established. MLU and AU merged into Topsisikring gs in 1972 where Topdanmark Liv was founded. In 1985, Topsisikring gs was converted into a public limited company, Topdanmark A/S, and the Company was listed on the Copenhagen Stock Exchange.

Today, Topdanmark has a large and diversified customerbase, including more than one million private customers and one in five business enterprises in Denmark.

Topdanmark's share of the non-life insurance market in Denmark was 17.4% in the first half of 2015 which made Topdanmark the second largest non-life insurance company in Denmark.² In 2015, Topdanmark had a market share of 7.6%, being the fifth largest commercial life insurance company on the Danish market.³

Topdanmark's distribution strategy is based on multiple distribution. In order to boost sales, Topdanmark's own sales channels are supplemented by distribution agreements with a number of business partners, including Danske Bank and Sydbank.

Since 1996, Topdanmark's has had as its objects:

² Source: Forsikring & Pension

³ Source: The Danish Financial Supervisory Authority

- To carry on non-life insurance, life insurance and pensions insurance activities on the Danish market.
- To be a leading independent insurance group where it is attractive to be a customer.
- To provide its Shareholders with a long-term, competitive and stable return.

Topdanmark's strategy is to:

- develop and improve the customers' service experience
- generate the best possible return/risk ratio for its Shareholders by adjusting equity to the business volume on an on-going basis and by pursuing an investment policy in line with this
- remain a dynamic business which is committed to personal and professional development
- align the management's and the employees' interests with the Shareholders' interests.

The following key elements have been important in the implementation of the strategy:

- Focus on the market for private, agricultural and commercial insurance
- Utilisation of synergies between life and non-life insurance
- Focus on profitability before growth
- Optimisation of the capital structure
- Distributions to the Shareholders through buy-back of the Company's shares

The strategy is based on the assumption that Topdanmark is and will remain an independent insurance group focusing on the life and non-life insurance markets in Denmark.

3.2 Topdanmark's structure and shareholders

The Company is the parent company of the Topdanmark Group, which additionally consists of the following major companies:

- Topdanmark Forsikring A/S
- Topdanmark Livsforsikring A/S
- Topdanmark Kapitalforvaltning A/S

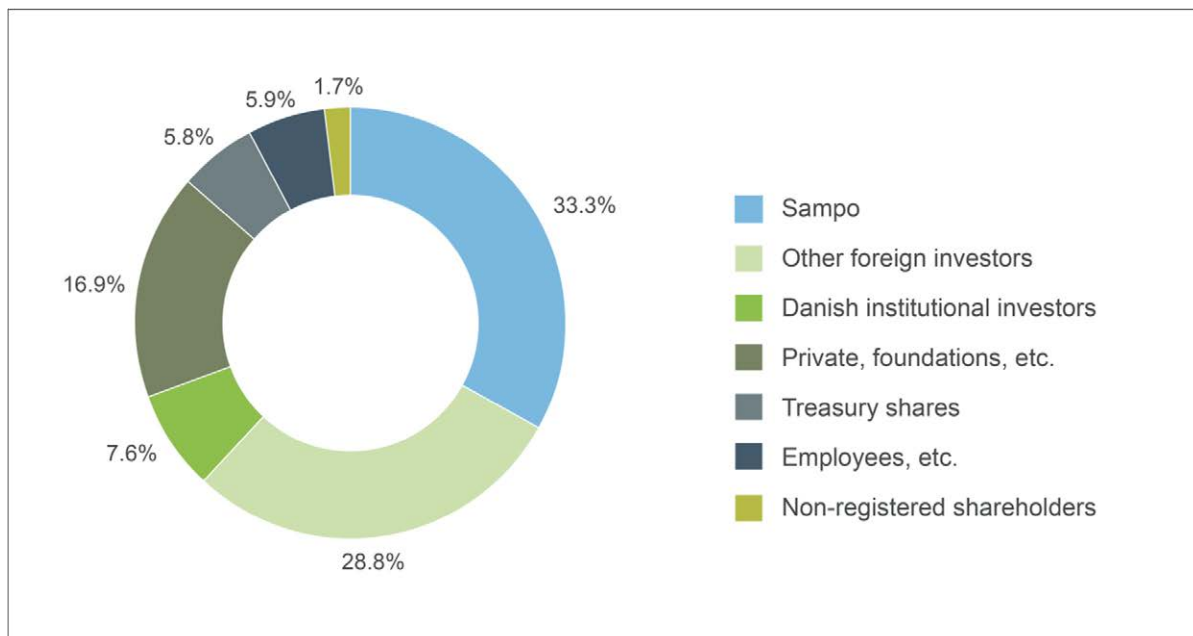
The Company's total share capital is DKK 95,000,000 divided into shares of a nominal value of DKK 1.

The Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "TOP" with ISIN code DK0060477503.

The Company had a diverse shareholder base of approximately 43,000 Shareholders as at 30 September 2016.

The Offeror is the only shareholder, which has informed the Company that it holds more than 5% of the Shares and the voting rights. The Offeror has stated in the Offer Document that the Offeror held 31,676,920 Shares as at 27 September 2016, representing 33.34% of the share capital in the Company.

Topdanmark's shareholder structure was as follows as at 30 September 2016:



The Company had a holding of own shares of 5,491,000 as at 30 September 2016, corresponding to 5.78% of the total outstanding share capital. The shares have been purchased under the Company's current share buy-back programme (see paragraph 4.3.4 below).

3.3 Financial information

3.3.1 Topdanmark's profit forecast model for 2016

Immediately before publication of this statement, the Company has published the following updated profit forecast model for 2016:

Traditionally, the Company does not publish actual profit forecasts. Instead, information is provided about the expected level of results if a number of assumptions about the return in the financial markets are met. The return in the financial markets changes on a daily basis, and Topdanmark's profit forecast model will already deviate from actual expectations by the time it is published.

Therefore, the Company provides additional information on how deviations in the assumptions underlying the profit forecast model will affect the results.⁴

Thus, the profit forecast model is not based on a specific estimate of the expected investment return for the rest of the year, but solely on a long-term standard assumption for return.

Profit forecast model for 2016

It was stated in the half-year report for 2016, which was published on 16 August 2016, that Topdanmark's post-tax profit forecast model for 2016 was DKK 1,000-1,100 million.

⁴ Reference is made to <http://inv.topdanmark.com/risk.cfm>

The profit forecast model was i.a. based on the following assumptions:

- A combined ratio of around 89 before run-off in H2 2016
- An expense ratio of around 16
- Normal weather conditions in H2 2016, i.e. weather-related claims of DKK 95 million in H2 2016.
- An annual 7.0% return on equities and foreign exchange rates unchanged from the level as of 5 August 2016
- Furthermore, it was assumed that the return on interest-bearing assets matching the discounted claims provisions, is just sufficient to cover discounting and revaluation of the provisions, while the return on the remaining interest-bearing assets is 1.81% (risk-free interest rate plus 2.0 percentage-points).

Since publication of the profit forecast model in the half-year report for 2016, no incidents have occurred which significantly impact the prospects for 2016. Based on the same assumptions as stated in the half-year report, the post-tax profit forecast model of DKK 1,000-1,100 million is maintained and a negative trend in non-life insurance premiums in 2016 is still assumed.

Further reference is made to paragraph 3.3.3 concerning Topdanmark's long-term financial ambitions, and to paragraph 3.3.4 outlining a number of general and company-specific risk factors.

3.3.2 Assumptions for the profit forecast model for 2017

Immediately before publication of this statement, the Company has published the following assumptions for 2017:

The profit forecast model for 2017 is based on the following assumptions:

- Like recent years, 2017 will also be characterised by declining average premiums for motor insurance - an area that contributed with 24% of Topdanmark's gross premiums in H1 2016
- In recent years, Topdanmark's exposure to the industrial market, in particular the market for workers' compensation, has been reduced. Topdanmark surrenders the remaining large-scale industrial customers no later than by the end of 2016
- The automatic premium indexing in the private segment will be at 1.8% in 2017(2016: 1.4%)
- In 2015 and in H1 2016, Topdanmark has implemented a new model for distribution through insurance sales representatives in the private segment. The new sales model gives the sales representatives greater responsibility for making individual risk assessments when issuing policies. This has resulted in a loss of momentum in new sales, but will improve the quality of the new-signed customer portfolio. The finalization of implementing the new sales model will result in premium growth in the private segment, excl. motor insurance
- Weather-related claims of DKK 170 million
- An interest rate level corresponding to the interest rate curve of 5 August 2016
- An expense ratio of around 16.

On the basis of the above assumptions, a practically unchanged premium level is assumed for non-life insurance in 2017 and a combined ratio of 90 - 91 excl. run-off.

Further reference is made to paragraph 3.3.3 concerning Topdanmark's long-term financial ambitions, and to paragraph 3.3.4 outlining a number of general and company-specific risk factors.

3.3.3 Topdanmark's long-term financial targets

The technological development brings new opportunities for Topdanmark. In the digital area, Topdanmark is committed to streamlining and automating a significant part of its business procedures to be able to offer its customers professional, flexible, fast and easy service. It is Topdanmark's goal to offer digital self-service solutions to those of its customers who are interested. Further, Topdanmark is seeking to exploit the advantages of digitalisation in relation to business and product development for the purpose of creating growth and improving customer experience. The implementation of digital improvement initiatives may temporarily involve additional costs or investments, the amount of which is still unknown. The profit forecast model for 2016 and the assumptions for the profit forecast model for 2017 have not taken these possible additional costs or investments or the resulting potential additional earnings into account.

Topdanmark focuses on profitability and continuously seeks to improve its risk exposure. In recent years, Topdanmark has increased its exposure to the private insurance market, the agricultural market and the market for small and medium-sized businesses. These markets are characterised by high loss frequencies and low average claims.

However, Topdanmark has deliberately reduced its exposure to the market for large industrial customers, which is characterised by few, but often larger one-off insurance events.

Further, Topdanmark has over a number of years identified and reduced or eliminated risks that could potentially cause losses in excess of what Topdanmark deems acceptable.

Topdanmark's business model, focusing on the high-frequency segments with low average claims combined with an extensive reinsurance programme and risk-based prices, has enabled Topdanmark to achieve relatively low and stable combined ratios over a number of years.

Assuming that the current interest-rate level remains unchanged, Topdanmark's non-life insurance operational objective is a combined ratio of 91 excl. run-off.

In the period from 2006 to 2015, the mean combined ratio after run-off has been 88.0. The highest combined ratio during that period was seen in 2010 where it reached 93.3 following large weather-related claims.

3.3.4 Risk factors

The above forecasts etc. for Topdanmark should be seen in the light of the risks associated with Topdanmark's business. Below is a non-exhaustive list of a number of significant risks that may affect Topdanmark.

3.3.4.1 Risks associated with the insurance industry

Like many other industries, the insurance industry is undergoing rapid technological and digital development with the launch of new products and services, rules and regulations, changing customer requirements and preferences and a possible market entry of non-traditional competitors. In order to stay competitive, insurance companies must be able to predict and respond to such changes and take advantage of the new technological opportunities. This requires continuous investments in innovation and development. If an insurance company is not able to identify or keep up with these changes or is unable to continue developing and launching attractive products, it may have an adverse effect on the company's future earnings capacity.

3.3.4.2 Company-specific risks

Topdanmark's most important company-specific risks are the same as those described in the Company's "Risk Report 2015".⁵ In the Risk Report 2015, the most important risks are divided into the following:

- Non-life insurance risks
- Life insurance risks
- Market risks
- Credit and counterparty risks
- Operational risks
- Compliance risks
- Strategic risks

For a more detailed analysis of the company-specific risks, Shareholders are encouraged to read the Risk Report 2015.

3.4 Change of control

The fact that the Offeror today holds more than 1/3 of the Shares and the voting rights in the Company does not mean that any significant agreements entered into by Topdanmark will terminate or be changed.

The members of Topdanmark's executive board (the "**Executive Board**") and three additional employees have certain rights under their employment contracts if there is a change of control in the Company ("**Change of Control Event**"), including the right to consider the Change of Control Event as a termination of their employment by the Company and the right to receive a severance pay corresponding to 18 months' salary.

In the Company's view, the Offeror's acquisition of more than 1/3 of the Shares and the submission of the Mandatory Bid will not *per se* trigger such rights, assuming that the Company continues as an independent Danish insurance company. If, at the end of the Offer Period or at a later time, this assumption is no longer met, it may cause one or more of the above persons to exercise the rights granted under the employment contracts.

It cannot be ruled out that contracting parties, including Topdanmark's strategic business partners, may want to terminate agreements made with Topdanmark if the Offeror's proportional ownership interest in the Company increases as a result of completion of the Bid or afterwards.

Reference is also made to paragraph 5.2 below concerning share options.

3.5 The Offeror

The Offeror, headquartered at Fabianinkatu 27, 00100 Helsinki, Finland, is the parent company of the Sampo Group and has no business activities of its own, but administers the Subsidiaries and is responsible for certain centralized functions in the Sampo Group.

Sampo was founded in Turku, south-west Finland in 1909 as a mutual insurance company. In 1988, Sampo was listed on the Helsinki Stock Exchange (now Nasdaq Helsinki). In 2002, Sampo became an owner of If, operating in the Nordic region. Two years later, Sampo bought out the remaining owners, i.e. Skandia (Sweden), Sto-rebrand (Norway) and Varma (Finland), and If became a fully-owned subsidiary of Sampo.

⁵ Reference is made to <http://inv.topdanmark.com/riskreport.cfm>

The main business areas of Sampo are divided into property and casualty insurance, life insurance and banking carried out through its respective subsidiaries, If and Mandatum Life Insurance Company Ltd. ("**Mandatum Life**"), and its associate, Nordea Bank AB (publ) ("**Nordea Bank**").

If is a leading property and casualty insurer in the Nordic region. If is headquartered in Sweden, operates through branches in Norway and Denmark and has subsidiaries in Finland and the Baltic countries.

Mandatum Life is responsible for Sampo Group's life insurance operations. It also offers wealth management services under an insurance wrapper. The Mandatum Life group is made up of the Finnish parent company, Mandatum Life (which is fully owned by the Offeror) and its Subsidiaries Mandatum Life Services Ltd, Mandatum Life Investment Services Ltd., Mandatum Life Fund Management S.A., Innova Services Ltd. and Mandatum Life Insurance Baltic SE.

Sampo currently owns more than 21% of Nordea Bank. Nordea Bank is the largest financial service group in the Nordic and Baltic region and among the ten largest universal banks in Europe in terms of total market capitalization. The bank is headquartered in Stockholm, Sweden, and has around 10.5 million customers. The Nordea Bank share is admitted to trading on the Nasdaq Nordic Exchanges in Stockholm, Helsinki, and Copenhagen.

For the financial year ended 31 December 2015, the Sampo Group's net profit was EUR 1.7bn. The Offeror is listed on Nasdaq Helsinki under symbol "SAMPO" and ISIN FI0009003305, and is part of OMX Nordic 40 with a market capitalisation of approximately EUR 24bn as per 22 September 2016.

3.6 Events up to the submission of the Bid

In the Company's annual report for 2010, it was stated that Sampo's subsidiary, If, held 11.7% of the Company's Shares at the end of 2010.

On 16 May 2011, it was announced that If (Sampo), following an acquisition of shares, held Shares representing 20.09% of the share capital at that time.

On 7 June 2013, it was announced that If (Sampo) held Shares representing 25.18% of the then share capital. The increase in the pro rata ownership interest was a consequence of the fact that If (Sampo) had not participated in the Company's share buy-back programmes in the relevant period which had reduced the Company's share capital. Thus, If (Sampo) had not acquired any additional Shares in the relevant period.

On 24 June 2013, it was announced that If (Sampo) had informed Topdanmark that If had filed a notification under the EU Merger Control Regulation, notifying the EU Commission of If's (Sampo's) ownership interest in the Company. The notification caused the EU Commission to initiate investigations to determine if If's (Sampo's) ownership interest in Topdanmark was unproblematic from a competition law perspective, or if the ownership interest would have such anti-competitive effect that it should either not be permitted or only be permitted if If (Sampo) accepted certain modifying initiatives e.g. divestments of specific areas or the like. The EU Commission made its decision on 23 September 2013, finding that the contemplated transaction did not give rise to any objections.

Following submission to the Financial Council, the Danish Financial Supervisory Authority announced on 22 October 2013 that If (Sampo) would not be obliged to make a mandatory bid to the other Shareholders in the Company if If (Sampo) in connection with the Company's buy-back programme gained control of the Company, cf.

section 31(1) of the Danish Securities Trading Act, cf. sections 31(2) and (3) irrespective of whether If (Sampo) had voted in favour of the buy-back programme at the Company's general meetings.⁶

Notwithstanding If's (Sampo's) significant ownership interest in the Company, If (Sampo) was not represented on the Board of Directors until the annual general meeting in 2014, where If's CEO Torbjörn Magnusson was elected as ordinary member.

Following Torbjörn Magnusson's election as member of the Board of Directors, If once again asked the Danish Financial Supervisory Authority to make a decision on the mandatory bid obligation, given that Torbjörn Magnusson would in his capacity as member of the Board of Directors be involved in making the proposal to the general meeting to conduct the buy-back. The Authority announced on 11 September 2014 that If, based on the assumptions in the inquiry, would not be obliged to make a mandatory bid to the other shareholders if If obtained control of the Company.⁷

Torbjörn Magnusson was elected as vice-chairman of the Board of Directors in 2015.

On 7 September 2016, the Company announced that it had been notified that Sampo had acquired a total of 31,676,920 Shares, representing 33.34% of the share capital in the Company. At the same time, it was announced that If had sold all of its Shares.

There had been no dialogue between Sampo/If and the Company in relation to the Bid before the Offeror issued its announcement on 7 September 2016.

4. THE BOARD OF DIRECTOR'S VIEW ON CERTAIN FACTORS RELATING TO THE MANDATORY BID

4.1 The Board of Director's evaluation of the Mandatory Bid

Further to the Offeror's announcement of 7 September 2016, the Board of Directors (excluding Torbjörn Magnusson, see below) has considered the Mandatory Bid. J. P. Morgan Limited as financial adviser and Kromann Reumert as legal adviser have advised the Board of Directors in relation to the preparation of this statement and the underlying analyses.

After the Offeror's announcement on 7 September 2016, the chairmanship of the Board of Directors resolved that the vice-chairman, Torbjörn Magnusson, is conflicted in relation to the Board of Directors' evaluation of the Bid given his affiliation to the Offeror. Torbjörn Magnusson has therefore not participated in the Board's evaluation of the Bid.

The Board of Directors has assessed the prospects for alternative transactions, and has made various analyses and investigations in this regard. These analyses and investigations have not caused the Board of Directors to believe that there is currently any third party specifically interested in carrying out a transaction that is more value-creating for the Shareholders than maintaining Topdanmark's current position as an independent insurance group in Denmark.

⁶ See <http://finanstilsynet.dk/da/Tilsyn/Tilsynsreaktioner/Tilsynsreaktioner%20i%202013/LVPH-mv-31-Mulig-tilbudspilgt-for-If-til-aktionaereme-If>

⁷ See <http://finanstilsynet.dk/da/Tilsyn/Tilsynsreaktioner/Domme%20og%20boeder/2014/Afgoerelse-tilbudspilgt-til-aktionaereme-i-topdanmark>

It should be noted that the Company has no structures that prevent or impede any third party from submitting to the Shareholders a voluntary takeover bid for the Company before or after expiry of the Offer Period. Up to the date of this statement, the Board of Directors and the Executive Board have not received any inquiries regarding submission of such bids.

4.2 The Offer Price

The table below shows the Offer Price compared to the market price on relevant historical dates and in relevant historical periods:

Period	Share price (DKK)	The difference between the Offer Price and the relevant historical prices of the Share (%)
Closing price on Nasdaq Copenhagen on 6 September 2016 (last trading day before the first announcement of the Bid)	182.5	0.3
Average price in the period from the first announcement of the Bid to 6 October 2016 (last trading day before publication of this statement)	186.5	-1.9
Average price during the last month prior to the first announcement of the Bid	176.1	3.9
Average price during the last six months prior to the first announcement of the Bid	169.4	8.0
Average price during the last 12 months prior to the first announcement of the Bid	174.3	5.0
Closing price on Nasdaq Copenhagen on 16 February 2016 (the lowest price in the 12-month period preceding the last trading day prior to the first announcement of the Bid)	145.6	25.7
Closing price on Nasdaq Copenhagen on 7 December 2015 (the highest price in the 12-month period preceding the last trading day prior to the first announcement of the Bid)	199.4	-8.2
Closing price on Nasdaq Copenhagen on 6 October 2016 (the last trading day before the publication of this statement)	185.6	-1.4

All prices are in DKK for each Share of a nominal value of DKK 1. The average prices have been calculated on the basis of the daily volume-weighted closing prices of the Shares as listed on Nasdaq Copenhagen in the relevant period. References made to "*the first announcement of the Bid*" in the table above shall be references to 7 September 2016.

4.3 The Bid's impact on the interests of the Shareholders and the Company, including on employment

The Board of Directors has assessed a number of circumstances related to the Offeror and the Bid that have or may have an impact on the Company, the Shareholders and other stakeholders, and which may be of importance to the Shareholders' position on the Mandatory Bid. The following is not an exhaustive description of the short-term and long-term consequences of the Bid on the Company, the Shareholders and other stakeholders; it is rather a description of the circumstances considered by the Board of Directors to be of particular importance to the Shareholders' position on the Bid.

4.3.1 Legal consequences of Sampo holding more than 1/3 of the Shares

An increase in the Offeror's relative ownership interest in the Company will strengthen the Offeror's possibility of controlling Topdanmark's strategy, shareholder remuneration policy, etc.

The Offeror can in the future, by virtue of the aforementioned holding of more than 1/3 of the Shares, block resolutions at the Company's general meetings requiring a majority of at least 2/3 to be adopted. This means, among other things, that the Offeror will be able to prevent the following:

- adoption of amendments to the Company's Articles of Association;
- adoption of resolutions on issue of new shares, convertible debt instruments, warrants, etc.;
- adoption of resolutions on mergers and demergers.

If the Offeror by virtue of the Bid or subsequently attains an ownership interest of more than 50% of the Shares, the Offeror may at the general meetings of the Company unilaterally:

- elect all members to the Board of Directors;
- determine the Company's dividend policy (subject to approval by the Board of Directors);
- decide to authorise the Board of Directors to acquire own shares.

The legal consequences set out in this paragraph 4.3.1 must be viewed in light of the actual attendance and the casting of votes at the Company's former general meetings, see below.

4.3.2 Distribution of votes and exercise of voting rights at the Company's former general meetings

Historically, not all Shareholders have been attending or represented at the general meetings of the Company. Consequently, the Offeror has *de facto* been holding a majority of the votes represented at all of the general meetings of the Company in the period 2012-2016. The Offeror has therefore *de facto* been able to perform the actions listed in paragraph 4.3.1 at all general meetings of the Company since 2012. The Offeror has not exploited that opportunity.

As such, the fact that the Offeror now holds more than 1/3 of the Shares seems to be of limited importance to the actual control of the Company, provided that the Offeror does not change its conduct in connection with the voting at the Company's future general meetings, see the following paragraph.

4.3.3 The Offeror's intentions expressed in the Offer Document

In the Offer Document, the Offeror has made the following statements about the Offeror's intentions with regard to the Offeror's exercise of voting rights at the general meetings etc.:

- The following is stated about Topdanmark's strategy, organisation and employment matters (paragraph 4.2 of the Offer Document):

"The Offeror intends to continue to support Topdanmark's development in collaboration with Topdanmark's existing Board of Directors and management. Whilst the Offeror has no current intention to implement material changes to Topdanmark's organisation or the terms of employment of the employees as a result of the Offer, the Offeror will continue from time to time to review Topdanmark's plans and may consider and seek changes to Topdanmark's plans concerning its operations and organisation."

- The following is stated about the composition of the Board of Directors (paragraph 4.3 of the Offer Document):

"Presently, Sampo has no plans to effect changes in Topdanmark governance. However, Sampo will monitor the performance of Topdanmark and continuously re-evaluate its board representation and may, depending on the outcome of this Offer and other changes in Topdanmark's shareholder structure, consider strengthening its representation."

- The following is stated about the Company's distribution of funds (paragraph 4.4 of the Offer Document):

"The Offeror may at any time following the completion of the Bid suggest and/or support that Topdanmark distributes funds by way of either a share buy-back or a capital reduction, a distribution of dividend (ordinary or extraordinary), or in any other way to all Shareholders in general (including Sampo)."

To avoid unintended restrictions as a result of the legal requirements in the Danish Companies Act and information requirements in the Danish Takeover Order, the Offeror may propose and/or support that Topdanmark distributes funds as set out above of up to an amount equalling Topdanmark's total free reserves within the first 12 months after Completion of the Offer. Any payment or distribution is subject to the statutory minimum requirements, including the limitations in the Danish Companies Act, and if relevant necessary approvals from the Danish FSA.

Topdanmark has announced its ambition to carry out a share buy-back program of a total of DKK 1,450m until 23 February 2017. The Offeror has no intention of proposing to change that.

However, the Offeror is of the opinion that longer term distributions to Shareholders should over a period not exceed net profit. The Offeror will evaluate whether or not to propose and/or support changing the distribution method from share buy-backs to dividends."

- The following is stated about compulsory acquisition and delisting (paragraph 4.5 of the Offer Document):

"If upon Completion of the Offer, the Offeror has acquired more than 90 per cent of the Shares and voting rights in Topdanmark (excluding any treasury Shares held by Topdanmark as of the expiry of the Offer Period), the Offeror will initiate and complete a Compulsory Acquisition of the Shares held by any remaining minority Shareholder in Topdanmark in accordance with Sections 70-72 of the Danish Compa-

nies Act. The Compulsory Acquisition is anticipated to take place on terms and conditions corresponding to the terms and conditions of the Offer. In a situation where the full ownership of Topdanmark is ensured via a Compulsory Acquisition, Nasdaq Copenhagen will remove Topdanmark's Shares from trading upon the Offeror's request."

In its assessment of the Mandatory Bid, the Board of Directors has taken note of these statements. The Board of Directors points out that the Offeror has not thereby made any commitments regarding how the Offeror will exercise its voting rights at the Company's future general meetings, including in terms of the composition of the Board of Directors and in terms of the Company's shareholder remuneration policy.

It is not possible for the Board of Directors to assess the circumstances in which the Offeror may exercise its shareholder rights in a different manner than hitherto, and the consequences thereof to the Company and the Shareholders.

4.3.4 The Company's shareholder remuneration policy, buy-back programmes, and the liquidity of the Company's Shares

4.3.4.1 The Company's shareholder remuneration policy

In normal circumstances, Topdanmark generates a return that exceeds the capital requirement resulting from the growth of the business. It is the Company's policy that, if it is not possible to find value-adding investment opportunities, such excess return will be distributed to the Shareholders. In the opinion of the Board of Directors, the amount of the distribution must be determined by the ratio between the equity and the capital requirement and capital need of the business.

4.3.4.2 The Company's historical share buy-back programmes

Since 1998 the Company has been distributing funds to the Shareholders solely by way of share buy-backs. In the Company's assessment, distribution in the form of share buy-backs is more appropriate and advantageous to the Shareholders than distribution in the form of dividend. The reasons are, among other things, that for tax purposes a share buy-back compared to dividends is more favourable to several groups of Shareholders without having corresponding negative consequences for other Shareholders, and that each Shareholder can decide whether or not to participate in a share buy-back based on the Shareholder's requirements and assessment of the future potential of the Share.

Since the announcement of financial statements for the third quarter of 2015, the share buy-back programmes have been structured in compliance with the so-called "safe harbour" rules. The rules imply, among other things, that the buy-back must not be made at a price exceeding the higher of (1) the share price of the latest independent transaction and (2) the highest current independent offer price on Nasdaq Copenhagen on the day of trading. The maximum number of shares that may be bought on each trading day is 25% of the average daily trading volume of the Company's shares traded on Nasdaq Copenhagen within the 20 trading days preceding the purchase date. To ensure that trade decisions and the execution of the buy-back will be independent of and without influence from the Company, the Company has engaged Danske Bank as the lead manager for the share buy-back.

So far, If (Sampo) has chosen not to participate in the share buy-back and has therefore increased its ownership interest in the Company. The combination of buy-back programmes and a large Shareholder that does not partic-

ipate in the buy-back programme implies that the number of "free float"⁸ Shares has been reduced. This may potentially have a negative effect on the liquidity of the Shares.

In the period from 1 January 2013 to the end of September 2016, the Company has bought back 38 million Shares, which has reduced the number of Shares not owned by either Sampo or the Company from 92 million to 58 million corresponding to a 37% reduction of free float.

However, as can be seen from the table below, the free float reduction has not had a negative effect on the turnover of the Shares:

Average turnover per month.

	2013*	2014	2015	2016**
All markets DKK	1,006,093,798	1,200,722,406	1,500,500,694	1,552,023,002
Nasdaq Copenhagen DKK	740,393,280	818,791,019	953,044,766	920,739,413
Share of turnover Nasdaq Copenhagen (%)	74	68	64	59
Buy-back DKK	153,000,000	143,000,000	138,916,667	120,519,489
Buy-back share of turnover all markets (%)	15	12	9	8
Buy-back share of turnover Nasdaq Copenhagen (%)	21	17	15	13

* 2013 turnover is exclusive of internal transfer between Sampo and If.

** Until 30 September 2016.

While free float has decreased by 37% in the period, the total turnover of the Shares on all markets has increased by 54%. It should be noted that the turnover on Nasdaq Copenhagen has only increased by 24%, and that Nasdaq Copenhagen's share of the total turnover of the Shares has fallen from 74% to 59% in that period. This is relevant because the number of Shares that can be bought under the safe harbour rules is limited to 25% of the turnover on Nasdaq Copenhagen as described above.

The table also shows that the share buy-back's share of the total turnover has decreased from 15% of the turnover on all markets in 2013 to 8% of the turnover on all markets in 2016. As for Nasdaq Copenhagen, the corresponding figures are 21% and 13%, respectively.

4.3.4.3 Future shareholder remuneration policy

The Board of Directors intends to maintain the existing shareholder remuneration policy, see paragraph 4.3.4.1.

The Board of Directors will regularly assess whether maintaining the Company's shareholder remuneration policy in the form of share buy-backs is still appropriate, for example if the buy-back constitutes such a large share of the turnover that it is difficult to complete the buy-back under the safe harbour rules. If this is deemed not to be the case, the Board of Directors intends to change the shareholder remuneration to consist of a combination of

⁸ "Free float" means Shares, which are not owned by either the Offeror or the Company.

share buy-back and dividend. It is emphasized that even if such a change is implemented, it is the Board of Directors' intention to maintain the Company's disciplined approach to capital management. It is still the intention that any capital that is not necessary for the operation of the business must also in the future be distributed to the Shareholders.

4.3.5 No obligation for the Offeror to submit further takeover bids

As described in paragraph 4.2 in the Offer Document, the Offeror may after the completion of the Bid increase or reduce its ownership interest in the Company. The Shareholders should be aware that pursuant to Danish securities trading legislation, such changes will not trigger a new mandatory public bid as long as the Offeror's ownership interest in the Company continues to be at least 1/3 of all Shares and voting rights, and as long as no other person is in possession of the same or a higher number of voting rights than the Offeror. This will apply regardless of whether the Offeror, after expiry of a 6-month period after termination of the Bid, may purchase additional Shares at a price exceeding the Offer Price.

4.3.6 Consequences for employment

In the assessment of the Board of Directors, the submission and completion of the Mandatory Bid will have no consequences for employment in Topdanmark.

4.4 Advantages to the Shareholders

As the Board of Directors encourages the Shareholders to take into consideration all of the circumstances described in this statement when deciding on the Bid, the Mandatory Bid entails in the opinion of the Board of Directors the following advantages to the Shareholders:

- The Offer Price gives the Shareholders an opportunity to sell their Shares at a price, which cannot necessarily be obtained if the share price declines after the expiry of the Offer Period as a result of events related or unrelated to Topdanmark.
- Shareholders wishing to guard against a possible future negative price development, including in the event of any potential future changes to Topdanmark's strategy or shareholder remuneration policy, may make use of the Bid.
- The Bid will be settled in cash and has been submitted unconditionally. Accordingly, there is certainty that the Bid will be completed.

4.5 Disadvantages to the Shareholders

In the opinion of the Board of Directors, acceptance of the Mandatory Bid will involve the following disadvantages to the Shareholders:

- The Offer Price corresponds to the price at which the Shares were traded on Nasdaq Copenhagen immediately prior to the date of commencement of the obligation to make the Mandatory Bid, on 7 September 2016. Accordingly, the Offer Price does not contain a "control premium", which is normally offered to the shareholders in connection with the submission of a takeover bid. In addition, the Offer Price is lower than the closing price of the Shares on 6 October 2016 (latest trading day prior to the publication of this statement).
- Shareholders accepting the Bid will not take part in any future value creation in the Company.

- The Shareholders will normally have to pay tax on the gain realised if they decide to sell their Shares. This may expedite the taxation. Since the tax consequences of accepting the Bid depends on the tax affairs of each individual Shareholder, the Board of Directors recommends that the Shareholders assess their own tax affairs and, if necessary, consult their own professional advisors.

5. INFORMATION ABOUT CERTAIN OWNERSHIP INTERESTS ETC.

5.1 Ownership interests held by the Board of Directors and the Executive Board

The members of the Board of Directors and the Executive Board hold Shares in the Company as set out in Appendix 1 to this statement.

The members of the Board of Directors and the Executive Board do not intend to accept the Mandatory Bid for their Shares.

5.2 Share options

The members of the Executive Board hold share options in the Company as set out in Appendix 1 to this statement. Other employees in Topdanmark hold similar share options.

If there is a change in Topdanmark's status whereby the Company ceases to be independently listed, or if a single shareholder or a group of shareholders gains control of more than 50% of the shares in the Company, or if the Company in any other way loses its independence in connection with a merger, demerger or liquidation or otherwise, or sells either Topdanmark's life or non-life Insurance companies or such part of Topdanmark's life or non-life insurance companies that Topdanmark's business foundation is changed significantly, the Company will be under an obligation to allow the holders of share options to exercise their share options right away in so far as the share options have not expired.

If the Offeror after completion of the Bid has acquired or later acquires or otherwise ends up holding more than 50% of the Shares and the voting rights in the Company, the Company will therefore be under an obligation to allow the members of the Executive Board and other employees in Topdanmark with similar share options to exercise their share options right away in so far as the share options have not expired.

The Board of Directors does not receive any share options or any other kind of variable remuneration.

5.3 Bonus payments

Remuneration to the members of the Executive Board is based on a fixed base salary, a fixed proportion of which 10% (of the cash pay + pension + value of company car) is paid in the form of share options. Members of the Executive Board does not receive any individual bonus pay. If a member of the Executive Board has performed out of the ordinary, he or she may be granted a lump-sum payment within limits defined by the Board of Directors. Reference is made to Topdanmark's remuneration guidelines, "*Remuneration policy of the Topdanmark Group including general guidelines for performance-related pay*", which can be found on the Company's website for further information.⁹

Submission or completion of the Mandatory Bid will not result in any changes to Topdanmark's remuneration guidelines.

⁹ Please refer to: <http://www.topdanmark.com/en/corporate-governance/remuneration-structure/>

None of the members of the Board of Directors or the Executive Board receives any kind of bonus or extraordinary payments from Topdanmark as a result of the Mandatory Bid. Reference is made to paragraph 3.4 concerning certain agreed rights for the Executive Board and a few employees in the event of a change of control of the Company.

Ballerup, 7 October 2016

(signed)

Søren Thorup Sørensen
(Chairman)

Ann-Jeanette Bakbøl

Tina Møller Carlsson

Mette Jensen

Birgitte Nielsen

Lone Møller Olsen

Annette Sadolin

Jens Aaløse

SHARES AND SHARE OPTIONS HELD BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

Shares in the Company held by members of the Company's Board of Directors and Executive Board (as at 6 October 2016):

Name	Number of Shares
Board of Directors	
Søren Thorup Sørensen	3,729
Torbjörn Magnusson	500
Ann-Jeanette Bakbøl	0
Tina Møller Carlsson	1,270
Mette Jensen	1,400
Birgitte Nielsen	350
Lone Møller Olsen	2,425
Annette Sadolin	2,620
Jens Aaløse	50

Executive Board	
Christian Sagild	21,160
Lars Thykier	14,130
Brian Rothemejer Jacobsen	128,200
Marianne Wier	0

The members of the Company's Executive Board hold the following share options, which may be exercised in order to acquire Shares in the Company:

Name	Date of grant/Exercise price					I alt
	2012 (price: 98.8)	2013 (price: 133.3)	2014 (price: 157.0)	2015 (price: 220.0)	2016 (price: 215.0)	
Christian Sagild	34,530	46,060	37,433	29,148	30,900	178,071
Lars Thykier	0	30,570	24,805	19,317	20,480	95,172
Brian Rothemejer Jacobsen	0	17,960	14,363	11,250	11,768	55,341
Marianne Wier	0	0	10,629	8,496	9,032	28,157