

A counterproposal to the Draft Resolution of the Agenda of the 44th General Meeting of Shareholders of Zavarovalnica Triglav and the Opinion of the Management Board

On 26 April 2019, Zavarovalnica Triglav received a counterproposal by the shareholder Zavod VZMD – Vseslovensko združenje malih delničarjev (Pan-Slovenian Shareholders' Association), which the latter amended on 17 May 2019, to Item 3 (Draft Resolution no. 3.1) of the agenda of the 44th General Meeting of Shareholders of Zavarovalnica Triglav to be held on 28 May 2019 at 14:00 in Conference Hall B1, Verovškova ulica 60b, Ljubljana.

The counterproposal together with its explanation is as follows:

"Accumulated profit as at 31 December 2018 totalled EUR 66,783,627.69 and shall be distributed as follows:

- A part of accumulated profit totalling EUR 63,658,414.40 shall be distributed for dividend payments. The dividend of EUR 2.80 gross per share shall be paid to the shareholders appearing in the Share Register as at 12 June 2019. On 13 June 2019, the Company shall ensure funds for the payment of all dividends on the account of KDD – Centralno klirinška depotna družba d.d., intended to execute the corporate action of paying out dividends to the shareholders in accordance with the common European standards for corporate actions.
- The distribution of the remaining accumulated profit of EUR 3,125,213.29 shall be decided on in the next few years."

The shareholder's explanation: "VZMD believes that it is appropriate and desired that the Company allocate a greater portion of its accumulated profit to dividend payments. Compared with the year before, in 2018 Zavarovalnica Triglav increased both its accumulated profit and net profit, whilst the amount of the dividend paid out has remained unchanged and has been stagnating (i.e. in real and comparative terms it is falling) since 2015 (paid out for 2014), which is as many as four years! Therefore, given the achieved results and profits during this time, VZMD justifiable and legitimately proposes higher dividends based on the presented arguments.

The increase in the gross dividend amount will also have a beneficial impact on many small shareholders, particularly considering the diversified ownership – as many 13,963 shareholders of the total 13,972 shareholders hold less than a 0.5% stake in Zavarovalnica Triglav, but together they hold a stake of over 23% in the Company. Especially for the latter, the increasingly higher costs of financial intermediaries, which are related to share ownership and even to the dividend payment, significantly decrease the final or the actual payment received and their return on investment in ZVTG shares since for them, as a general rule, the payout costs depend on the payout and not on its amount or the dividend amount.

For further clarification about the counterproposal, information on collecting proxies and how to submit a proxy for the General Meeting of Shareholders, please contact VZMD every business day between 9:00 and 17:00 by calling +386 (0) 31 770 771 or writing an email to info@vzmd.si."

The opinion of the Management Board:

The Management Board of Zavarovalnica Triglav opposes the counterproposal. Both the Supervisory Board and the Management Board propose the dividend of EUR 2.50 gross per share. This takes into account the three aspects laid down by the adopted dividend policy of the Company, which was revised in 2018. The key focus is on the medium-term sustainable target capital adequacy, the credit rating and ensuring the financial stability of Triglav Group. Their proposal allows the Company to implement the growth and development strategy of Triglav Group and at the same time to pay out attractive dividends to the

shareholders. All three objectives are taken into account in a balanced manner. The proposed counterproposal does not take into account the aspects of the capital adequacy, the financial stability, the credit rating and the targeted growth and development of Triglav Group, thereby potentially exposing the Group to excessive, even regulatory risks.

The proposal of the Management Board and the Supervisory Board follows the commitment of paying out attractive dividends to the shareholders. According to their proposal, 70% of the consolidated net profit of Triglav Group for 2018 is to be allocated to dividend payment, which is significantly above the low threshold of 50% determined in the adopted dividend policy of the Company. Furthermore, the Company fulfils its commitment to the shareholders to strive to pay out a dividend not lower than the dividend paid out the year before. The dividend for 2017 and the previous three years amounted to EUR 2.50 gross per share, the same as proposed for 2018. In those years, such a dividend provided a high dividend yield to the shareholders, which will remain very high at over 7%.

According to the Bloomberg data, the ZVTG share is one of the highest dividend yielding shares in the insurance industry, not only in the region but also in Europe and globally. In addition to the dividend yield, the growth of the share price is also important for the shareholders and thereby the total return on the share, for which it is necessary to ensure profitable operations and growth of the value of the Company in the long run. As at the 2018 year-end, ZVTG total return stood at 13.1% and the ZVTG share price grew by 4.8% in 2018, whereas in the same period the SBITOP index fell by 0.2% and the BEINSUR insurance index by 10.3%.