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Ljubljana, 24 April 2020

Re: Counterproposal of the shareholder VZMD to a draft resolution of an agenda item of the 45th General Meeting of Shareholders of Zavarovalnica Triglav d.d.

Pursuant to Article 300 of the Companies Act (ZGD-1), VZMD, a shareholder of Zavarovalnica Triglav d.d. (hereinafter: the submitting shareholder), hereby files a counterproposal to Draft Resolution No 3.1 under Agenda Item 3 of the 45th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to be held on Tuesday, 2 June 2020, at 14:00 in Marmorna Hall at Gospodarsko razstavišče, d.o.o., Dunajska cesta 18, 1000 Ljubljana.

At the General Meeting of Shareholders, the submitting shareholder will oppose the initial draft resolution and will prevail upon other shareholders to vote for its counterproposal. The submitting shareholder expects its counterproposal to be publicly announced and communicated in accordance with Article 296 of the ZGD-1.

COUNTERPROPOSAL

to Draft Resolution No 3.1 of Agenda Item 3: distribution of accumulated profit for 2019.

Draft Resolution No 3.1:

“Accumulated profit as at 31 December 2019 amounted to EUR 60,543,474.97 and shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 56,777,090.00 shall be distributed for dividend payments. The dividend in the amount of EUR 2.50 gross per share shall be paid to the shareholders appearing in the Share Register as at 11 June 2020. On 12 June 2020, 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 3,766,384.97 shall be decided on in the coming years.”

Explanation:

VZMD believes that it is appropriate and necessary that the Company pays to its shareholders at least the same dividend as in previous years. As the submitting shareholder, we believe that the Company is capable of paying such a dividend to its shareholders without adversely affecting or obstructing the Company's plans.

Zavarovalnica Triglav has adopted a clear dividend policy, according to which “part of consolidated net profit of the preceding year, which is to be allocated to dividend payment, accounts for at least 50%. The Company will strive to pay out a dividend not lower than the dividend of the preceding year.” The proposal of the Management Board and the Supervisory Board not to pay out dividends is thus in direct contradiction with the assurances of the Company's representatives given at the General Meetings of Shareholders in previous years and the adopted dividend policy of the Company.

In addition, VZMD emphasises that it was contacted by many shareholders of Zavarovalnica Triglav have, who rightly expect an appropriate dividend yield on their investment.

The submitting shareholder also points to Article 399 of the ZGD-1, which explicitly states that a general meeting resolution may be challenged if accumulated profit is not distributed to the shareholders in the amount corresponding to at least 4% of the share capital.

In view of some of the recommendations, requirements and even general orders of various institutions and associations regarding the non-payment of dividends, VZMD points out that the decision on dividend distribution is solely the responsibility of the owners, i.e. the shareholders. At the same time, VZMD called upon the institutions and associations that sent such warnings to publish – if they even exist – the relevant analyses and information on the basis of which they have taken such ad-hoc and harmful positions. By the time this proposal was drafted, we had not received any explanation or analysis in this regard that would in any way justify the disputed positions and decisions – with extremely far-reaching, damaging consequences and repercussions.

Yours faithfully

Kristjan Verbič
President of VZMD