

**A Counterproposal and an Extension of the Agenda of 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d.**

In accordance with Articles 298 and 300 of the Companies Act (ZGD-1) and the Ljubljana Stock Exchange Rules, the Management Board of Zavarovalnica Triglav d.d. pursuant to Article 296 of ZGD-1 hereby publishes the following:

**Counterproposal and Extension of the Agenda of 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d., Miklošičeva 19, 1000 Ljubljana, which will be held on 11 June 2013 at 2 p.m. in Conference Hall B1, Verovškova ulica 6ob, Ljubljana.**

**I.**

**Counterproposal**

On 13 May 2013 Zavarovalnica Triglav received a counterproposal from the shareholder Društvo Mali delničarji Slovenije (Minor Shareholders Association of Slovenia; hereinafter: the MDS), holding one ordinary share of Zavarovalnica Triglav d.d., as follows.

The MDS hereby submits a counterproposal to Item 3 of the Agenda (Draft Resolution No. 3.1) of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d., proposing to the latter to adopt the counterproposal, notifies its intention to object to the proposal made by the Management and Supervisory Boards and to convince other shareholders to vote in favour of the following counterproposal:

### **Counterproposal to the Draft Resolution No. 3.1:**

»The accumulated profits amounting to EUR 98,205,999.33 as at 31 December 2012 shall be distributed as follows:

- part of the accumulated profits in the amount of EUR 32,738,613.12 for dividend payments. The dividend equals EUR 1.44 gross per share, payable to the shareholders appearing in the Shareholder Register two days following the date of the General Meeting. Dividends shall be paid within 30 days of the date this resolution is passed;
- the distribution of the remaining accumulated profits in the amount of EUR 65,467,386.21 shall be decided in upcoming years«.

The MDS proposes that the vote on its counterproposal take place before the vote on the original Draft Resolution and any other possible counterproposals made by other shareholders.

### **Shareholder's explanation of the counterproposal:**

Pursuant to the recommendations of the Government and its parastatal funds regarding general meeting of shareholders of public limited companies, the companies with good performance should distribute at least one third of their accumulated profits to dividend payments. In accordance with this recommendation and the established practice, the MDS herewith proposes to Zavarovalnica Triglav d.d. to pay EUR 1.44 of gross dividend per share. This amount does neither burden nor limit the liquidity and current business, whilst still allows the Company to attain all of its strategic objectives, as it is still left with two thirds of the accumulated profits from 2012 for profit generation and development.

Therefore, the MDS believes that the dividend amount it proposes is reasonable and in the interest of all shareholders. It is also in the interest of all loyal shareholders – among them those who have supported and are supporting the endeavours of the MDS for a more transparent reporting on the operations of all members of the Triglav Group and those who have already proved this at previous General Meeting of Shareholders by giving their proxies to the MDS. At the 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d. the MDS's proxies represented as many as 820,580 shares and accounted for 7.29% of voting rights. This constitutes grounds for the proposal.

The MDS invites the Management Board of Zavarovalnica Triglav d.d. to, in accordance with the Companies Act, publish this counterproposal in an adequate manner (the same as the Announcement of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d.) and to also include this counterproposal in the authorisation for the solicitation of proxies carried out by the Company. Not only the Management Board but also the Supervisory Board is called to take stance on this counterproposal, since the latter proposed the original Draft Resolution jointly with the Management Board.

### **Stance of the Management Board on the counterproposal to the Draft Resolution No. 3.1:**

The Management Board of Zavarovalnica Triglav d.d. is against the counterproposal of the MDS regarding a dividend payment of EUR 1.44 gross per share since it believes that the level of accumulated profits available for distribution in the form of dividends, and the general assessment of the appropriate dividend amount provided by the MDS, are not the only relevant elements to be considered in dividend payments; the expected capital adequacy trends in non-life and life insurance, the estimated ratio of insurance technical provisions and appropriate investments and its sensitivity to changes in interest rates should also be taken into account.

The Draft Resolution of the Management and Supervisory Boards is in line with the dividend policy, set out in the Strategy of the Triglav Group, according to which dividends shall be paid out if the Group has enough capital for "A" stand-alone credit rating (pursuant to S&P methodology).

Simultaneously, this is in line with the fact that at previous General Meetings, regardless the Strategy, the shareholders have always required a certain level of dividends, i.e. a current yield on the Zavarovalnica Triglav's shares. At the General Meetings shareholders explained their requirements and resolutions by their expectations that approximately one third of the Triglav Group's net profit earned in the preceding fiscal year be earmarked for dividends. Hence we suggest to take the Triglav Group's net profit for the 2012 fiscal year (of the shareholders of the controlling company) amounting to EUR 72,512,977 as a basis. On that basis the proposed dividend for the 2012 fiscal year would be rounded to EUR 1.00 per share. Due to the continuously fierce economic conditions and in view of the current and expected capital adequacy trends, the proposal of the Management and Supervisory Boards of a gross dividend of EUR 1.00 per share is in accordance with the Strategy of the Triglav Group and estimated to be appropriate and suitable.

## **II.**

### **Extension of the Agenda**

On 17 May 2013 Zavarovalnica Triglav d.d. received a Request to Extend the Agenda of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d. by a group of the following shareholders, whose combined stake exceeds 5% of the share capital of Zavarovalnica Triglav d.d.:

	No. of shares	Stake	Name	Address
1	1	0.00%	DRUŠTVO MDS	DALMATINOVA ULICA 010
2	39,672	0.17%	ALPETOUR - POTOVALNA AGENCIJA, d.d.	ULICA MIRKA VADNOVA 008
3	29,144	0.13%	BOHNEC FRANC	NADGORIŠKA CESTA 010, LJUBLJANA
4	192,790	0.85%	NFD 1, delniški podsklad	TRDINOVA ULICA 4
5	53,500	0.24%	KRENK MIHAELA	PERIČEVA ULICA 027
6	18,356	0.08%	ELEKTRO LJUBLJANA d.d.	SLOVENSKA CESTA 058
7	100,140	0.44%	ALTA SENIOR, vzajemni sklad prilagodljive	ŽELEZNA CESTA 18
8	64,868	0.29%	Mešani podsklad ALTA PRIMUS	ŽELEZNA CESTA 18
9	41,600	0.18%	Delniški podsklad ALTA GLOBAL	ŽELEZNA CESTA 18
10	20,500	0.09%	Delniški podsklad ALTA BALKAN	ŽELEZNA CESTA 18
11	3,867	0.02%	Delniški podsklad ALTA PHARMA-TECH	ŽELEZNA CESTA 18
12	592,381	2.61%	HYPO ALPE-ADRIA-BANK d.d.	SLAVONSKA AVENIJA 6
	1,156,819	5.09%		

Based on and pursuant to the received Request to Extend the Agenda of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d., Zavarovalnica Triglav d.d. hereby extends the Agenda of the 38<sup>th</sup> General Meeting of Shareholders to be held on 11 June 2013 by amending the Agenda with the following Item 5:

**Item 5 of the Agenda: Recall and appointment of the Supervisory Board's members**

Draft Resolution No. 5.1: As of 11 June 2013, the General Meeting of Shareholders recalls the following Supervisory Board's members:

- Mr Jovan Lukovac, MBA
- Mr Aleš Živkovič,
- Mr Rok Strašek,
- Mr Žiga Andoljšek and
- Mr Blaž Šlemic,

appointed on 14 February 2013 at the 37<sup>th</sup> General Meeting, whose terms of office started on 8 April 2013.

Draft Resolution No. 5.2: Mr Rajko Stanković is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

Draft Resolution No. 5.3: Mr Krešo Šavrič is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

Draft Resolution No. 5.4: Mr Igor Mihajlović is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

Draft Resolution No. 5.5: Mr Goran Gojković is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

Draft Resolution No. 5.6: Mr Milan Tomažević is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

**Shareholder's explanation of the Draft Resolutions under Item 5 of the Agenda:**

Pursuant to Article 297(2)(2) of the Companies Act the following information on the newly proposed members to the Supervisory Board are hereby provided:

**Rajko Stanković**, Senior Administrative Clerk, President of the Minor Shareholders Association of Slovenia, has been engaged in the protection of interests of minor shareholders since 2006. In his career he was a head of three centres for temporary refugees from Bosnia and Herzegovina, an officer in charge of logistics and repatriation and financial manager at the Government Office for Immigration and Refugees; he also worked in the hospitality industry and organisation of events.

**Krešo Šavrič**, Bachelor of Laws, until recently a member of the Management Board of Slovenska odškodninska družba d.d.(SOD); he worked as the Head of the Legal and HR Department and advisor in the Legal Department and in the Denationalisation Department.

**Igor Mihajlović**, Bachelor of Mechanical Engineering, former Chairman of the Supervisory Board of Zavarovalnica Triglav d.d he was the President of the Management Board of Iskra Avtoelektrika d.d., a member of the Management Board of Belinka d.d. and the President of the Management Board of Poteza BPH d.d.

**Goran Gojković**, Bachelor of Economics; worked as the Head of the Sales and Logistics Department in Elan, Head of the Exports Department, acting director of a subsidiary of Žito d.d. in Serbia; currently member of the Supervisory Board of Velana d.d.

**Milan Tomažević**, graduate economist, retired; has already performed the function of President of the Management Board of Zavarovalnica Triglav d.d.

All proposed candidates meet the statutory prescribed criteria and simultaneously agree with their appointment to the Supervisory Board , which is evident from the statements attached pursuant to Article 255 of the Companies Act.

**Stance of the Management Board on the proposed extension of the Agenda to include Item 5:**

Concerning the proposed extension of the Agenda to include an item on recalling and appointing members of the Supervisory Board and in accordance with Article 297a(1), the Management Board may not take a stance on the content of the proposal submitted by the group of shareholders.

The group of shareholders proposes to appoint new members of the Supervisory Board - with a four-year term of office, starting on 12 June 2013 - to replace the current members of the Supervisory Board whom they wish to recall. Pursuant to Article 21 of the Articles and Memorandum of Association of Zavarovalnica Triglav d.d. a member of the Supervisory Board may be recalled by the General Meeting of Shareholders before the expiration of their term of office and a new member may be appointed to replace them, with the term of office lasting until the expiration of the term of office of the Supervisory Board. The term of office of the Supervisory Board's members proposed to be recalled expires on 8 April 2017.

**III.**

**Fair Copy of the Extended Agenda of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d.**

Pursuant to Article 298(4) of the Companies Act, Zavarovalnica Triglav d.d. hereby announces the fair copy of the Extended Agenda of the 38<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d., Miklošičeva 19, 1000 Ljubljana, to be held on 11 June 2013 at 14.00 in the Conference Hall B1 at Verovškova ulica 6ob, Ljubljana, as follows:

Agenda:

**1. Opening of the General Meeting of Shareholders**

- a) **Establishing a quorum and the presence of Nada Kumar, Notary Public from Ljubljana, in charge of taking the minutes**
- b) **Appointment of the Credentials Committee and the Chairperson of the General Meeting of Shareholders**

DRAFT RESOLUTION No. 1:

Mr Mitja Kepec, Ms Lidija Lipavšek and Mr Miha Klep are hereby appointed as members of the Credentials Committee, and Ms Carmen Dobnik as the Chairperson of the General Meeting.

2. **Presentation of the Annual Report of Zavarovalnica Triglav d.d. for 2012 and the Annual Report of the Triglav Group for 2012, including both opinions given by the audit firm, the Annual Internal Audit Report for 2012, the Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Examination of the Annual Reports of Zavarovalnica Triglav d.d. and the Triglav Group for 2012, and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report for 2012 by the Internal Audit Department of Zavarovalnica Triglav d.d.**
3. **Distribution of accumulated profits for 2012; granting of a discharge to the Management and Supervisory Boards**

**Distribution of accumulated profits for 2012**

DRAFT RESOLUTION No. 3.1:

The accumulated profits totalling EUR 98,205,999.33 as at 31 December 2012 shall be distributed as follows:

- part of the accumulated profits in the amount of EUR 22,735,148.00 for dividend payments. The dividend equals EUR 1.00 gross per share, and is payable to the shareholders appearing in the Shareholder Register two days following the date of the General Meeting. Dividends shall be paid within 30 days of the date this resolution is passed;
- the distribution of the remaining accumulated profits of EUR 75,470,851.33 shall be decided in upcoming years.

#### **Granting of a discharge to the Management Board of Zavarovalnica Triglav d.d.**

##### DRAFT RESOLUTION No. 3.2:

The Management Board of Zavarovalnica Triglav d.d. is hereby granted a discharge by the General Meeting for the 2012 fiscal year.

#### **Granting of a discharge to the Supervisory Board of Zavarovalnica Triglav d.d.**

##### DRAFT RESOLUTION No. 3.3:

The Supervisory Board of Zavarovalnica Triglav d.d. is hereby granted a discharge by the General Meeting for the 2012 fiscal year.

#### **4. Appointment of auditors for the 2013 fiscal year**

##### DRAFT RESOLUTION No. 4:

The audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o., Dunajska cesta 111, 1000 Ljubljana, is hereby appointed by the General Meeting of Shareholders as the auditors of Zavarovalnica Triglav d.d. for the 2013 fiscal year.

#### **5. Recall and appointment of the Supervisory Board's members**

##### DRAFT RESOLUTION No. 5.1:

As of 11 June 2013, the General Meeting of Shareholders recalls the following Supervisory Board's members:

- Mr Jovan Lukovac, MBA
- Mr Aleš Živkovič,
- Mr Rok Strašek,
- Mr Žiga Andoljšek and
- Mr Blaž Šlemic,

appointed on 14 February 2013 at the 37<sup>th</sup> General Meeting, whose terms of office started on 8 April 2013.

##### DRAFT RESOLUTION No. 5.2:

Mr Rajko Stankovič is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

##### DRAFT RESOLUTION No. 5.3:

Mr Krešo Šavrič is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.



DRAFT RESOLUTION No. 5.4:

Mr Igor Mihajlović is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

DRAFT RESOLUTION No. 5.5:

Mr Goran Gojković is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

DRAFT RESOLUTION No. 5.6:

Mr Milan Tomažević is hereby appointed member of the Supervisory Board as shareholder representative with a four-year term of office, starting on 12 June 2013.

Ljubljana, 21 May 2013

Management Board of Zavarovalnica Triglav d.d.