



# **44<sup>TH</sup> GENERAL MEETING OF SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV D.D.**

**MATERIAL FOR THE GENERAL MEETING OF SHAREHOLDERS**

**Ljubljana, April 2019**

Zavarovalnica Triglav, d.d.  
Miklošičeva 19  
Ljubljana

Pursuant to Article 295(2) of the Companies Act (ZGD-1) and Article 29 of the Articles of Association of Zavarovalnica Triglav d.d., the Management Board of Zavarovalnica Triglav d.d. hereby

c o n v e n e s

the 44<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav d.d., Miklošičeva 19, Ljubljana,  
to be held on 28 May 2019 at 2 pm  
in Conference Hall B1, Verovškova ulica 6ob, Ljubljana.

Agenda:

- 1. Opening of the General Meeting of Shareholders, establishing a quorum and taking note of the working bodies of the General Meeting of Shareholders**
  
- 2. Presentation of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018 with the accompanying independent auditor's report, the Annual Internal Audit Report for 2018, the Supervisory Board's Report on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018 and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2018.**
  
- 3. Distribution of accumulated profit for 2018; granting of a discharge to both the Management and the Supervisory Board**

**3.1 Distribution of accumulated profit for 2018**

DRAFT RESOLUTION No. 3.1:

The accumulated profit totalling EUR 66,783.627.69 as at 31 December 2018 shall be distributed as follows:

- A part of the accumulated profit totalling EUR 56,837,870.00 shall be distributed for dividend payments. The dividend of EUR 2.50 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 9,945,757.69 shall be decided on in the next few years.

### **3.2 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 of Shareholders for the 2018 fiscal year.

### **3.3 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 of Shareholders for the 2018 fiscal year.

## **4. Appointment of auditors for the 2019, 2020 and 2021 fiscal years**

### DRAFT RESOLUTION No. 4:

The General Meeting of Shareholders hereby appoints the audit firm Deloitte revizija d.o.o., Dunajska cesta 165, Ljubljana, the auditors of Zavarovalnica Triglav for the 2019, 2020 and 2021 fiscal years.

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The resolution under Item 3.3 is proposed by the Management Board, the resolutions under Items 3.2 and 4 by the Supervisory Board, and the resolution under Item 3.1 is jointly proposed by the Management and Supervisory Boards.

### **Entitlement to attend the General Meeting of Shareholders**

To be entitled to attend and vote at the General Meeting, the shareholders must be registered in the Share Register of Zavarovalnica Triglav d.d., kept by Centralno klirinško depotna družba d.d. (KDD), Ljubljana, no later than by the end of the fourth day prior to the announced date of the General Meeting of Shareholders, i.e. on 24 May 2019 (the cut-off date), and in writing apply to attend the General Meeting no later than by the end of the fourth day prior to the announced date

of the General Meeting of Shareholders, i.e. by the end of 24 May 2019. Shareholders shall apply to attend by completing the attendance form.

A shareholder who is entitled to attend the General Meeting may appoint a proxy to attend and exercise their vote at the General Meeting of Shareholders. A proxy form shall be submitted before the start of the General Meeting of Shareholders at the latest. Shareholders may submit proxy forms to Zavarovalnica Triglav d.d. also via fax to: +386 (0)1 432 63 02.

The abovementioned attendance and proxy forms, the Notice and material for the General Meeting of Shareholders are available at [www.triglav.eu](http://www.triglav.eu).

### **Amendments to the agenda and shareholders' proposals**

The shareholders whose combined stakes equal 1/20<sup>th</sup> of the share capital may request that an item be added to the agenda. Such requests must be made in writing within seven days of the day the Notice of the General Meeting of Shareholders was published, and must include a written draft resolution to be decided on by the General Meeting of Shareholders, or an explanation of the item concerned in case no resolution is required from the General Meeting of Shareholders. Pursuant to Article 298(3) of the Companies Act, the submitted additional agenda items will be published immediately after the expiry of the seven-day time period.

Shareholders are entitled to submit draft resolutions or, in the cases referred to under Article 301 of the Companies Act, voting proposals in writing to every item on the agenda. Shareholders' proposals submitted to the Company within seven days after the publication of this Notice of General Meeting of Shareholders, which are reasonably grounded and in reference to which the shareholders/submitters claim that they intend to vote against the Management Board's or the Supervisory Board's proposal and convince other shareholders to vote in favour of their proposal, will be published by the Management Board of Zavarovalnica Triglav d.d. in the same way as this Notice of General Meeting of Shareholders. Pursuant to Article 301 of the Companies Act, this proposal shall not require justification.

Shareholders may also submit their counterproposals and requests for additional agenda items to Zavarovalnica Triglav d.d. via fax to +386 (0)1 432 63 02.

### **Right to information**

At the General Meeting, shareholders are entitled to ask questions and request information on Company matters, if such questions are crucial for deciding on the agenda items, and to exercise their right to the information referred to in Article 305 of the Companies Act.

### **Material for the General Meeting of Shareholders and registration of participants**

Material for the General Meeting of Shareholders, including draft resolutions and their explanation, is available for inspection at Zavarovalnica Triglav's registered office at Miklošičeva 19, Ljubljana, on any business day between 10 a.m. and noon from the date this Notice is published to 28 May 2019. In the said period, the material and other information referred to in Article 296(3) of the Companies Act as well as information relating to the shareholders' rights referred to in Articles 298(1), 300(1), 301 and 305 of the Companies Act will be available at Zavarovalnica Triglav's website [www.triglav.eu](http://www.triglav.eu).

The registration desk will open one hour before the scheduled time of the General Meeting of Shareholders. Upon registration, the participants who applied to attend may be asked to identify themselves by showing an identity document, a written proxy and, if they are authorised representatives, an extract from the Court/Companies Register or any other relevant document proving their right of representation.

#### **Share capital and the number of voting rights at the date of Notice of the General Meeting of Shareholders**

The share capital of Zavarovalnica Triglav d.d. amounts to EUR 73,701,391.79 and consists of 22,735,148 ordinary registered no-par value shares. As at the convocation date of the General Meeting of Shareholders, there was a total of 22,7105,836 of voting rights exercisable in the Company. Votes are cast in person, and each share carries one vote, except the shares for which is it otherwise specified by the Companies Act.

#### **Call to major shareholders**

Pursuant to Item 6.2 of the Slovene Corporate Governance Code, Zavarovalnica Triglav d.d. encourages all major shareholders, institutional investors in particular, to publicly disclose their investment policy with respect to the stake they hold in Zavarovalnica Triglav d.d., i.e. their voting policy, the type and frequency of their engagement in the Company's governance and the dynamics of their communication with the Management or Supervisory Boards of Zavarovalnica Triglav d.d.

Ljubljana, 24 April 2019

Uroš Ivanc  
Member of the Management Board

Andrej Slapar  
President of the Management Board

Agenda Item No. 1

**OPENING OF THE GENERAL MEETING OF SHAREHOLDERS, ESTABLISHING A QUORUM AND  
TAKING NOTE OF THE WORKING BODIES OF THE GENERAL MEETING OF SHAREHOLDERS**

ZAVAROVALNICA TRIGLAV, d.d.  
MIKLOŠIČEVA 19, LJUBLJANA



– THE GENERAL MEETING OF  
SHAREHOLDERS –  
(44<sup>th</sup> meeting on 28 May 2019)  
Agenda Item No. 1 – documents

**1. Opening of the General Meeting of Shareholders, establishing a quorum and taking note of the working bodies of the General Meeting of Shareholders**

On behalf of the convenor of the General Meeting of Shareholders, the President of the Management Board will open the General Meeting, present the findings regarding the shareholders' attendance and announce that the General Meeting will be led by the attorney Simon Gabrijelčič as its Chair, while Robert Ernestl, a representative of Ixtlan Forum d.o.o., and Miha Klep will be the vote counters. The General Meeting will be attended by the invited notary public, Ms. Nada Kumar from Ljubljana.

Explanation of resolution:

The General Meeting of Shareholders hereby takes note of the working bodies of the General Meeting of Shareholders, i.e. the Chair of the General Meeting and the vote counters. The General Meeting will be attended by the invited notary public, Ms. Nada Kumar from Ljubljana.

Ljubljana, 24 April 2019

Uroš Ivanc  
Member of the Management Board

Andrej Slapar  
President of the Management Board

**PRESENTATION OF THE ANNUAL REPORT OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV D.D. FOR 2018 WITH THE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT, THE ANNUAL INTERNAL AUDIT REPORT FOR 2018, THE SUPERVISORY BOARD'S REPORT ON THE VERIFICATION OF THE ANNUAL REPORT OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV D.D. FOR 2018 AND THE OPINION OF THE SUPERVISORY BOARD OF ZAVAROVALNICA TRIGLAV D.D. ON THE ANNUAL INTERNAL AUDIT REPORT OF THE INTERNAL AUDIT DEPARTMENT OF ZAVAROVALNICA TRIGLAV D.D FOR 2018.**



ZAVAROVALNICA TRIGLAV, d. d.  
MIKLOŠIČEVA 19, LJUBLJANA



- THE GENERAL MEETING  
OF SHAREHOLDERS -  
(44<sup>th</sup> meeting on 25 May 2019)  
Agenda Item No. 2 - documents

- 2. Presentation of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018 with the accompanying independent auditor's report, the Annual Internal Audit Report for 2018, the Supervisory Board's Report on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018 and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2018.**

Explanation of resolution:

At its sessions, the Supervisory Board and the Audit Committee of the Supervisory Board discussed the audited Annual Report of the Triglav Group and Zavarovalnica Triglav for 2018.

Based on its findings of the verification of the audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2018, the Supervisory Board on its session held on 28 March 2019 approved the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2018, including the independent auditor's report.

At its session on 28 March 2019, the Supervisory Board discussed the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2018. The Supervisory Board drew up a written opinion, which is also an integral part of the Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018.

The Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018 includes the Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018, the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department for 2018 and the Independent Auditor's Report are enclosed to the agenda item No. 2.

The Corporate Governance Statement is an integral part of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018. The remuneration of Management and Supervisory Board members in 2018 is disclosed in the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018.

Enclosures:

- Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2018
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2018

Ljubljana, 24 April 2019

Andrej Slapar  
President of the Management Board

Igor Stebernak  
Chairman of the Supervisory Board

Uroš Ivanc  
Member of the Management Board

**DISTRIBUTION OF ACCUMULATED PROFIT FOR 2018, GRANTING OF A DISCHARGE TO BOTH THE  
MANAGEMENT AND THE SUPERVISORY BOARD**

- THE GENERAL MEETING  
OF SHAREHOLDERS -  
(44<sup>th</sup> meeting on 28 May 2019)  
Agenda Item No. 3 - documents

**3. Distribution of accumulated profit for 2018, granting of a discharge to both the Management and the Supervisory Board**

**3.1 Distribution of accumulated profit for 2018**

DRAFT RESOLUTION No. 3.1:

The accumulated profit totalling EUR 66,783,627.69 as at 31 December 2018 shall be distributed as follows:

- A part of the accumulated profit totalling EUR 56,837,870.00 shall be distributed for dividend payments. The dividend of EUR 2.50 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 9,945,757.69 shall be decided in the next few years.

**3.2 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 of Shareholders for the 2018 fiscal year.

**3.3 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 of Shareholders for the 2018 fiscal year.

#### Explanation of resolution:

At its session held on 28 March 2019, the Supervisory Board approved the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2018. Pursuant to Articles 230, 293 and 294 of the Companies Act, the General Meeting of Shareholders decides on the distribution of accumulated profit and granting of a discharge to the Supervisory and Management Boards.

In deciding on the distribution of the accumulated profit, the Company adheres to its attractive and sustainable 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 payment of the preceding year. The implementation of the dividend policy is subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group.

The proposed distribution of the accumulated profit takes into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group, and to pay out attractive dividends to the shareholders.

In 2018, the Triglav Group generated a consolidated profit before tax in the amount of EUR 97.5 million and a net profit of EUR 80.2 million. The ROE of the Group stood at 10.8%. The Group posted a total of EUR 1,068 million in gross written premium, an increase of 7% over 2017, whilst premium growth was recorded in all insurance segments and all markets of the Group. The combined ratio of the Group was 91.8%. Returns on investments (excluding return on unit-linked life insurance) declined by 29% compared to 2017 as a result of persisting low interest rates on the financial markets.

In formulating a proposal for the dividend payment, the Company took into account the fact that macroeconomic indicators show signs of economic slowdown in the coming years, while the situation on capital markets will remain relatively unfavourable in terms of investing. The low interest rate period is expected to continue in the medium term, significantly affecting the expectations regarding the amount of the Company's economic capital. Additional uncertainty in the markets is caused by some geopolitical risks, and further revisions of the standard formula for calculating the capital requirements of insurance undertakings are expected in the coming years.

Regardless of the above, the proposal for the distribution of accumulated profit follows the principle of an attractive dividend policy. Based on the proposed dividend, the share of consolidated net profit for 2018 allocated to dividend payments would be 70%, while the dividend yield of the ZVTG share would be around 7%, which is still one of the highest dividend yields in the insurance industry in Europe and the Slovene capital market. Both the Supervisory Board and the Management Board assess that in the event of paying out the proposed dividend, taking into account the said starting points and the planned volume of operations, strategic activities and

related anticipated capital needs, the capital adequacy of the Triglav Group will continue to be consistent with the capital management policy. This is of key importance for the Triglav Group, as it ensures not only that its high financial stability and safety of operations will be maintained but also that the targeted credit ratings will be achieved. The achievement of the target capital adequacy in the medium term is a precondition for the effective implementation of the set strategic objectives of the Group's growth, development and operations.

The dividend 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. KDD – Centralno klirinško depotna družba d.d. will execute dividend payments to the beneficiaries via its members provided that the members of KDD – Centralno klirinško depotna družba d.d. will have all the data of the beneficiaries which are necessary for the payment.

The Supervisory Board hereby proposes to the General Meeting of Shareholders to grant a discharge to the Management Board (draft resolution 3.2.). The Management Board hereby proposes to the General Meeting of Shareholders to grant a discharge to the Supervisory Board (draft resolution 3.3.). In accordance with the recommendation of the Slovene Corporate Governance Code, voting on the proposal on granting a discharge to the Management and Supervisory Boards should be performed separately.

Ljubljana, 24 April 2019

Andrej Slapar  
President of the Management Board

Igor Stebernak  
Chairman of the Supervisory Board

Uroš Ivanc  
Member of the Management Board

Agenda Item No. 4

**APPOINTMENT OF AUDITORS FOR THE 2019, 2020 and 2021 FISCAL YEARS**

- THE GENERAL MEETING  
OF SHAREHOLDERS -  
(44<sup>th</sup> meeting on 28 May 2019)  
Agenda Item No. 4 - documents

**4. Appointment of auditors for the 2019, 2020 and 2021 fiscal years**

DRAFT RESOLUTION No. 4:

The General Meeting of Shareholders hereby appoints the audit firm Deloitte revizija d.o.o., Dunajska cesta 165, 1000 Ljubljana, the auditors of Zavarovalnica Triglav d.d. for the 2019, 2020 and 2021 fiscal years.

Explanation of resolution:

Pursuant to Article 258(4) of the Insurance Act, an insurance undertaking shall appoint an audit firm to audit the annual report for a period not shorter than three financial years. Following the audit firm selection procedure, the Audit Committee of the Supervisory Board proposed to the Supervisory Board to submit a proposal to the General Meeting of Shareholders of Zavarovalnica Triglav d.d. to appoint the audit company Deloitte revizija d.o.o., Dunajska cesta 165, Ljubljana, the auditors for the 2019, 2020 and 2021 fiscal years.

The Audit Committee carried out the auditor selection procedure for the 2019–2021 period in accordance with Article 16 of Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter: the Regulation). The Audit Committee submitted to the Supervisory Board a proposal or recommendation for the appointment of the statutory auditor for the future audit period, which included two options for an audit engagement; taking into account the below stated arguments, the Audit Committee proposed that the Supervisory Board propose to the General Meeting of Shareholders of Zavarovalnica Triglav d.d. to appoint Deloitte revizija d.o.o., Ljubljana as the statutory auditor for the future audit period 2019–2021. The Audit Committee founded its selection based on the following arguments:

- the advantage of Deloitte revizija d.o.o. in terms of its organisation and operation outside of Slovenia;



- a more comprehensive approach of Deloitte revizija d.o.o. to an audit engagement based on their presented offer;
- a timely execution of audit;
- their offer was more favourable in terms of the price.

In the process of drafting the proposal for auditor selection, the members of the Audit Committee were not influenced by any third parties. The proposal was prepared in compliance with the Policy on the Supervision of Agreements concluded with Audit Firms and is not linked to any provision of an agreement or a similar commitment which would restrict the General Meeting of Shareholders of Zavarovalnica Triglav d.d. in the selection of the statutory auditor to specific categories or lists of statutory auditors or audit firms.

The Supervisory Board approved the draft resolution by the Audit Committee to appoint the audit firm Deloitte revizija d.o.o. the auditors for the 2019, 2020 and 2021 fiscal years.

Deloitte revizija d.o.o. is an associated company of the parent company Deloitte Central Europe Holdings Limited and is one of the leading companies in the provision of audit and consulting services in the Republic of Slovenia. In recent years, the following companies from the insurance industry have been the audit clients of Deloitte revizija d.o.o. in Slovenia: SID-PKZ d.d., Modra zavarovalnica d.d., Skupna pokojninska družba d.d. and Kapitalska družba d.d. The audit clients from the banking and financial sector of Slovenia included SKB banka d.d., Gorenjska banka d.d., Bank of Slovenia, SID banka d.d., Deželna banka Slovenije d.d., Nova KBM d.d., Hranilnica LON d.d. and others. The member companies of the Deloitte network perform audits in the countries of South-East Europe, where the Group of Zavarovalnica Triglav d.d. also operates, i.e. Croatia, Serbia, Montenegro, North Macedonia, and Bosnia and Herzegovina.

Ljubljana, 24 April 2019

Igor Stebernak  
Chairman of the Supervisory Board