



Zavarovalnica Triglav, d.d.
Miklošičeva cesta 19, 1000 Ljubljana

triglav

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REMUNERATION REPORT FOR 2023



Ljubljana, 12 March 2024

1. INTRODUCTION

The Company adopted the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), which was amended in 2023 in line with the recommendations of the Slovenian Sovereign Holding (Slovenski državni holding d.d.), where reasonable and appropriate, and in accordance with the applicable legislation. The amendment to the Remuneration Policy was adopted by the Management Board of Zavarovalnica Triglav d.d. at its 15th/2023 meeting held on 21 March 2023 and the Supervisory Board of Zavarovalnica Triglav d.d. at its 2nd/2023 session held on 28 March 2023. The Remuneration Policy was submitted for approval by voting at the 48th General Meeting of Shareholders of Zavarovalnica Triglav d.d. on 6 June 2023, at which the consultative resolution on the Remuneration Policy was not adopted. The remuneration policy, which has applied to Zavarovalnica Triglav since 1 May 2023, complies with the law but it is not fully in line with the recommendations of the shareholder SDH, which was published after convening the General Meeting of Shareholders of Zavarovalnica Triglav. Pursuant to paragraph three of Article 294a of the ZGD-1, the Company will submit an amended Remuneration Policy for approval at the next General Meeting of Shareholders, which is scheduled for 4 June 2024 according to the published financial calendar.

The Remuneration Policy contains basic provisions regarding the remuneration of employees and members of the Company's management and supervisory bodies. The Policy is designed to ensure the maintenance of appropriate capital strength of the Company, encourage reliable and effective risk management, limit the assumption of risks exceeding the allowed (acceptable) risk limits of the Company, and provide for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. By carrying out this Policy, Zavarovalnica Triglav d.d. implements a robust and reliable management system and ensures business integrity and transparency.

This report was drawn up based on Article 294b of the ZGD-1 and contains a comprehensive overview of remuneration of the members of management and supervisory bodies in accordance with the relevant legislation and the Remuneration Policy.

2. PRESENTATION OF REMUNERATION OF THE MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES AT ZAVAROVALNICA TRIGLAV D.D. IN 2023

2.1 Remuneration of the members of the Management Board of Zavarovalnica Triglav d.d.

The remuneration of the President and members of the Management Board shall be determined in proportion to their duties and responsibilities, the business volume of the Company and the Triglav Group, their financial position and business results. The remuneration of the President and members of the Management Board must be such that the complexity criteria are taken into account, which reflect the complexity of the Company's and the Triglav Group's operations (the balance sheet total, net premium income, the average number of employees in the last financial year, organisational complexity, internationalisation of business, the complexity of the direct economic environment, the complexity of key products, the regulation of activities and so on), and that this remuneration is comparable to the remuneration of other members of management bodies of comparable insurance groups, thereby pursuing risk management in terms of the stability and appropriateness of the Management Board's composition.

Remuneration of the Management Board consists of the basic salary (the fixed part), variable remuneration and other rights and benefits determined by the Rules adopted by the Supervisory Board (the right to use company-owned assets for business and private purposes and the use of

a payment card to pay for expenses including representation, the right to insurance, the right to the reimbursement of the costs of memberships related to the performance of their function and the right to payments provided to the Management Board members as Company employees by the applicable legislation and the collective agreement binding on the Company, e.g. pay for annual leave, jubilee benefits, salary compensation).

The basic salary of the President of the Management Board is set at five times the average gross salary in the previous financial year, paid in the Triglav Group companies headquartered in the Republic of Slovenia and consolidated in the annual report in accordance with the ZGD-1. The basic salary of a Management Board member is set at 95% of the basic salary of the President of the Management Board.

The President and members of the Management Board are entitled to the variable remuneration for performance provided that the Triglav Group not only generated profit in the previous year but also surpassed the set business objectives. The variable remuneration for performance (in accordance with the ZPPOGD) can amount to a maximum of 30% of the basic salaries paid in the financial year and includes: part of the salary for performance, part of the salary for the overall performance based on the overall annual targets of the Management Board and part of the salary for individual performance based on personal annual targets.

The Management Board's performance is determined by taking into account the Company's performance in the short and long term, including the current and future risks to which the Company is exposed. The performance assessment takes into account:

- **Financial criteria** (70% of all criteria) that can measure the business volume, profitability of the insurance activity, profitability of the investment activity, cost efficiency, return on equity and growth in the Company's value or other financial performance criteria.
- **Non-financial criteria** (30% of all criteria) that can measure the achievement of the business strategy's non-financial objectives, compliance with the relevant regulations, internal acts and limitations from the risk appetite statement, acting in accordance with ethical and professional standards and the achievement of sustainable development goals (environmental, social, governance) or other non-financial performance criteria.

The variable remuneration is set in more detail using a methodology approved by the Supervisory Board upon approval of the plan for the next calendar year and a one-on-one annual interview with each Management Board member, where the personal annual targets of the Management Board member are identified.

The criteria for calculating the Management Board's performance are designed to determine the level of achievement of annual and medium-term business objectives adopted in annual plans and strategic documents. The definition of a specific objective shall include the following: its description, the expected target value, the assigned weight and the method for measuring or assessing its achievement. The method used to calculate performance measures deviations from the set goals by awarding variable remuneration for achieving or exceeding the planned objectives and reducing the basic salary in the event of underperformance. The described method for calculating performance aims to encourage and motivate the Management Board to achieve strategic and planning goals, to ensure reliable and efficient risk management and to meet the Company's sustainable development goals. Using the methodology described above, the Supervisory Board shall once a year, after approving or accepting the annual report, determine the amount of the variable remuneration of the Management Board members and decide on the payment of the variable remuneration or a reduction in the basic salary. If the Supervisory Board decides that the Management Board members are entitled to variable remuneration, it will not be paid in full for the previous year, but the payment of 40% of the bonus will be deferred for at least two years and the payment of 10% of the bonus for at least

three years. If a Management Board member's term of office expires before the end of the deferral period, they shall be entitled to the payment of this part after the end of the deferral period regardless of the expiry of their term of office.

In 2023, no member of the Management Board was granted or provided any financial benefits or contributions or services by a third party in connection with their activity as a Management Board member. In the other Group companies in 2023, the Management Board members did not receive any remuneration that would relate to the period of performing their function at Zavarovalnica Triglav. The Management Board members may not participate in the Company's profits and shall not be entitled to stock options.

The possibility of returning the already paid variable remuneration, which is provided for in the ZGD-1, was not used in 2023 (there were no requests for return of already paid variable remuneration in 2023).

Remuneration of the Management Board members in 2023 is presented in the table below.

A: Remuneration of the Management Board members in 2023

in EUR

First and last name	Function	(1) Fixed remuneration*	(2) Variable remuneration		(3) Benefits and SVPI****	(4) Severance pay, fulfilment of the non-competence clause, other remuneration upon termination of function	(5) Bonus clawback	(6) Malus (remuneration return)	(7) Total remuneration (1 + 2 (paid out) + 4 - 5 - 6)*****	(8) Percentage of corresponding variable remuneration	(9) Remuneration from any Group company
			Paid out**	Deferred***							
Andrej Slapar	President	227,850	59,302	66,473	87,712	0	0	0	287,152	30%	0
Uroš Ivanc	Member	216,587	56,336	63,149	59,314	0	0	0	272,923	30%	0
Tadej Čoroli	Member	216,587	56,336	63,149	62,548	0	0	0	272,923	30%	0
Blaž Jakič	Member from 2 March 2023	162,481	0	0	63,038	0	0	0	162,481	30%	0
Marica Makoter	Member	216,587	56,336	63,149	57,801	0	0	0	272,923	30%	0
Barbara Smolnikar	Member until 17 October 2022	0	28,840	34,623	0	0	0	0	28,840	30%	0
David Benedek	Member until 1 December 2022	754	29,226	38,432	82	0	0	0	29,980	30%	0

* Fixed remuneration includes salary, pay for annual leave and jubilee benefits.

** Paid variable remuneration includes bonuses for previous years, which were paid in 2023.

*** Deferred variable remuneration includes bonuses for previous years, which will be paid in future years.

**** "The benefits and SVPI" include the benefits for company cars, the benefits for insurance premiums and the supplemental voluntary pension insurance premium.

***** "Total remuneration" includes salary, pay for annual leave, jubilee benefits and variable remuneration paid in an individual year (does not include benefits, SVPI and deferred bonuses). The figures do not include travel expenses, meal costs, accommodation costs and daily allowance as, by their nature, they are not considered remuneration of the Management Board.

2.2 Remuneration of the Supervisory Board members and the members of the Supervisory Board committees of Zavarovalnica Triglav d.d.

Remuneration of Supervisory Board members is determined by a resolution adopted by the General Meeting of Shareholders of Zavarovalnica Triglav d.d. and consists of remuneration for performing the function, bonuses for performing the functions of Chairman and Vice Chairman of the Supervisory Board and of members of Supervisory Board committees, attendance fees for attending meetings, and any travel and accommodation expenses. The remuneration of the Supervisory Board members shall be in appropriate proportion to the duties of the Supervisory Board members and the Company's and the Triglav Group's financial position. The remuneration of the Chairperson and members of the Supervisory Board must be such that the complexity criteria are taken into account, which reflect the complexity of the Company's and the Triglav Group's operations (the balance sheet total, net premium income, the average number of employees in the last financial year, organisational complexity, internationalisation of business, the complexity of the direct economic environment, the complexity of key products, the regulation of activities and so on), and that this remuneration is comparable to the remuneration of other members of supervisory bodies of comparable insurance groups, thereby pursuing risk management in terms of the stability and appropriateness of the Supervisory Board's composition. The Supervisory Board members may not participate in the Company's profits.

External committee members are paid for their work in the committees from the funds intended for the work of the Supervisory Board.

The amount of remuneration of external members shall be determined by the Supervisory Board in an appropriate relation to the remuneration of the Supervisory Board members and shall not be tied to the resolution of the General Meeting of Shareholders.

In 2023, the members of the Supervisory Board and its committees did not receive any remuneration from other Triglav Group companies.

The Company has no guaranteed shares or stock options.

B: Gross remuneration paid to the members of the Supervisory Board and committees in 2023

in EUR

First and last name	Function	Performance of the function in 2023	(1) Remuneration for performing the function – gross	(2) Attendance fees for the SB and committees – gross	(3) Total remuneration – gross (1 + 2)	(4) Travel expenses – gross*	(5) Remuneration from any Group company**
Andrej Andoljšek	Chairman	1 January 2023 to 31 December 2023	30,000	5,027	35,027	1,306	0
Branko Bračko	Vice Chairman	1 January 2023 to 6 June 2023	9,448	1,595	11,043	1,131	0
Igor Stebernak	Member Vice Chairman	1 January 2023 to 29 August 2023 30 August 2023 to 31 December 2023	21,468	4,235	25,703	1,257	0
Tomaž Benčina	Member	1 January 2023 to 31 December 2023	21,734	5,203	26,937	1,457	0
Peter Kavčič	Member	1 January 2023 to 6 June 2023	9,565	2,475	12,040	1,779	0
Jure Valjavec	Member	1 January 2023 to 31 December 2023	22,500	6,083	28,583	758	0
Peter Celar	Member	1 January 2023 to 1 June 2023	7,824	2,651	10,475	912	0
Branko Gorjan	Member	1 January 2023 to 1 June 2023	7,824	1,595	9,419	626	0
Igor Zupan	Member	1 January 2022 to 31 May 2023	9,345	3,355	12,700	626	0
Tim Umberger	Member	7 June 2023 to 31 December 2023	11,000	1,980	12,980	0	0
Monica Cramer Manhem	Member	7 June 2023 to 31 December 2023	9,750	1,540	11,290	3,935	0
Aleš Košiček	Member	11 July 2023 to 31 December 2023	8,680	1,540	10,220	0	0
Janja Strmljan Čevnja	Member	11 July 2023 to 31 December 2023	8,347	1,320	9,667	39	0
Luka Kumer	External Audit Committee member	1 January 2023 to 31 December 2023	7,500	1,925	9,425	752	0
Mitja Svolfšak	External Nomination Committee member	1 January 2023 to 6 June 2023	1,628	1,100	2,728	0	0
Mateja Lovšin Herič	External Nomination Committee member	5 December 2023 to 31 December 2023	0	0	0	0	0

* Travel expenses, by their nature, are not considered remuneration but are intended to reimburse the costs incurred in performing the function, which the members of the supervisory boards claim in their personal income tax assessment.

3. ANNUAL CHANGE IN REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD, PERFORMANCE OF THE COMPANY AND AVERAGE REMUNERATION OF COMPANY EMPLOYEES IN THE LAST FIVE FINANCIAL YEARS

The table below shows that in the last five years the growth of the Triglav Group's operations was adequately reflected in the growth of the average salary of employees and the salary of the President and members of the Management Board. The amount of basic remuneration and attendance fees of the Supervisory Board members did not change in the last five years.

C. Comparison of the growth of remuneration of the Management Board members in relation to the growth of remuneration of Group employees and in relation to the Triglav Group's performance

REMUNERATION	2019/2018	2020/2019	2021/2020	2022/2021	2023/2022
Growth of the average salary of Group employees compared to the previous year*	3.8%	4.8%	6.9%	8.1%	-0.9%
Growth of the fixed part of the salary of the President of the Management Board compared to the previous year**	4.4%	3.8%	4.8%	6.9%	8.1%
Growth of the fixed part of the salary of a Management Board member compared to the previous year***	4.4%	3.8%	4.8%	6.9%	8.1%
Growth of basic remuneration and attendance fees of the Supervisory Board members compared to the previous year	0.0%	0.0%	0.0%	0.0%	0.0%
TRIGLAV GROUP PERFORMANCE RATIOS	2019/2018	2020/2019	2021/2020	2022/2021	2023/2022****
Growth of the Triglav Group's total revenue compared to the previous year	11.2%	4.6%	10.4%	10%	12%
Growth of the ZVTG share closing price compared to the closing price of the previous year	9.9%	-9.9%	22.7%	-6%	0.6%
Employee number growth	2.2%	0.7%	-1.0%	0.7%	0.2%
	2019	2020	2021	2022	2023****
Return on equity (ROE)	10.9%	8.9%	12.5%	13.4%	1.9%
Combined ratio	91.5%	91.2%	88.9%	88.1%	102.8%
Number of employees as at 31 December	5,281	5,316	5,264	5,306	5,318
Gross written premium per Triglav Group insurance company employee in EUR	260,516	267,485	292,282	317,611	355,241

* The amount of salary is calculated in accordance with the ZPPOGD.

** The fixed part of the salary is five times the average salary calculated in accordance with the ZPPOGD for the previous year.

*** The fixed part of the salary is 95% of the fixed part of the salary of the President of the Management Board.

**** For 2023/2022, the growth in total business volume is shown, which includes gross written insurance, coinsurance and reinsurance premiums and other operating income as defined under IFRS 4; the combined ratio for 2019–2022 is calculated based on IFRS 4 categories and that for 2023 based on IFRS 17 categories.

4. CONCLUSION

The remuneration of management and supervisory bodies in Zavarovalnica Triglav d.d. in 2023 complied with the adopted Remuneration Policy and there were no deviations.

Andrej Slapar
President of the Management
Board



Uroš Ivanc
Management Board
member



Tadej Čoroli
Management Board
member



Marica Makoter
Management Board member



Blaž Jakič
Management Board member



5. AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT RELATED TO REMUNERATION REPORT FOR YEAR 2023

To the Shareholders of Zavarovalnica Triglav d.d.

We have performed limited assurance engagement as to whether the Remuneration Report for 2023, for the year ended 31 December 2023 ('the Report'), prepared by the Management Board and the Supervisory Board of Zavarovalnica Triglav d.d. (hereinafter 'the company'), is prepared in accordance with the requirements of Article 294.b of the Companies Act (hereinafter 'ZGD-1').

Identification criteria

In accordance with the requirement of ZGD-1 we have examined whether the Report contains all the information required by paragraphs 2 and 3 of Article 294.b of ZGD-1. The auditor's task is not to verify the actual accuracy of the Report and the information contained therein.

Purpose of the report

Our limited assurance report is intended solely to meet the requirements of Article 294.b of the Companies Act and for your information and may not be used for any other purpose. Our report relates only to the Report and does not apply to the financial statements of the company as a whole.

The responsibility of the Management Board and Supervisor Board for the Report

The Management Board and Supervisory Board are responsible for the preparation of the Report in accordance with Article 294.b of ZGD-1. The Management Board is responsible for publishing the Report on the Company's website immediately after the voting at the Shareholder's meeting, where it must be available free of charge for ten years.

The Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error and that is consistent with legal requirements.



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Auditor's Responsibility

Our responsibility is to express our conclusion on limited assurance for the Report based on the procedures we carried out and on the evidence we obtained. Our limited assurance engagement was carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. Pursuant to the standard, the auditor shall plan and perform the engagement in the way that will allow the auditor to obtain limited assurance that nothing has come to the auditor's attention that would cause the auditor to believe that the Report includes material misstatement in terms of compliance with the requirements of Article 294.b of ZGD-1.

Our independence and quality control

We performed our work in accordance with independence and ethical requirements under the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by International Ethics Standards Board for Accountants (IESBA Code). The Code is prepared based on the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

As a part of its compliance with International Standards on Quality Control (ISQC 1), our company maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

The nature and scope of our procedures were determined on the basis of risk assessment and our professional judgement with the purpose to obtain limited assurance.

The procedures for obtaining evidence in a limited assurance engagement are more limited in relation to a reasonable assurance engagement; therefore, less assurance is provided than in reasonable assurance or audit engagements.

The procedures carried out within the scope of our engagement include:

- Understanding the resolutions of the Shareholder's meeting regarding the adopted remuneration policy and inquiring with the Management Board and other employees in order to gain an understanding of the remuneration policy and the procedures implemented by the company in preparing the Report;
- obtaining a list of persons for whom there is an obligation to include data in the Report in the year for which the Report is being prepared and verifying that their remuneration is disclosed in the Report;
- verification that the Report contains all the information required by paragraphs 2 and 3 of Article 294.b of ZGD-1.

We believe that the obtained evidence is sufficient and appropriate to provide basis for our conclusion.



Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that would cause us to believe that the Report for the year ended 31 December 2023 as prepared by the Company does not, in all material respect, include the information as required by paragraph 2 and 3 of Article 294.b of ZGD-1.

Emphasis of Matter

As disclosed in Chapter 1. *Introduction* to the Report, the amendment to the Remuneration Policy was adopted by the Management Board of Zavarovalnica Triglav, d.d. on 15th/2023 meeting held on 21 March 2023 and the Supervisory Board of Zavarovalnica Triglav, d.d. at its 2nd/2023 session held on 28 March 2023. The Remuneration Policy was submitted for approval by voting at the 48th General Meeting of Shareholders of Zavarovalnica Triglav d.d. on 6 June 2023, at which the consultative resolution on the Remuneration Policy was not adopted. Pursuant to paragraph three of Article 294a of the ZGD-1, the Company will submit an amended Remuneration Policy for approval at the next General Meeting of Shareholders, which is scheduled for 4 June 2024 according to the published financial calendar. Our opinion is not modified in respect of this matter.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165

Barbara Žibret Kralj
Certified auditor

For signature please refer to the original Slovenian version.

Ljubljana, 12 March 2024

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