

Zavarovalnica Triglav, d.d.
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Ljubljana, 16 May 2019

Re: Counterproposal of the shareholder - VZMD to Item 3 (Draft Resolution no. 3.1) of the agenda of the 44th General Meeting of Shareholders of Zavarovalnica Triglav d.d.

VZMD, a shareholder of Zavarovalnica Triglav d.d. (hereinafter also referred to as: the submitting shareholder) based on Article 300 of the Companies Act (ZGD-1), hereby files a counterproposal to Item 3 (Draft Resolution no. 3.1) of the agenda of the 44th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to be held on Tuesday, 28 May 2019 at 14:00 in Conference Hall B1, Verovškova ulica 60b, 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 Companies Act (ZGD-1).

COUNTERPROPOSAL

to Item 3 (Draft Resolution no. 3.1) of the agenda: Distribution of accumulated profit for 2018; granting of a discharge to both the Management and the Supervisory Board

Draft Resolution no. 3.1:

"Accumulated profits 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."

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 previous year, 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.

Yours faithfully,

Kristjan Verbič
VZMD President