

Zavarovalnica Triglav, d.d.
Miklošičeva 19
1000 Ljubljana

Ljubljana, 23 April 2021

Re: Counterproposal of the shareholder VZMD to the draft resolution under the agenda item 3 of the 46th 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 46th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to be held on Tuesday, 25 May 2021, at 9:00 in the Marble Hall (*Marmorna dvorana*) 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 2020

Draft Resolution No 3.1:

“Accumulated profit as at 31 December 2020 amounted to EUR 89,624,175.26 and shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 79,573,018.00 shall be distributed for dividend payments. The dividend in the amount of EUR 3.50 gross per share shall be paid to the shareholders appearing in the Share Register as at 9 June 2021. On 10 June 2021, 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 10,051,157.26 shall be decided on in the coming years.”

Explanation:

VZMD believes that after not paying any dividends last year it is appropriate and necessary that the Company allocates the majority of accumulated profit for dividend payments to its shareholders. 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. According to VZMD, the higher dividend payment will strengthen the confidence of existing and potential investors in the Company's share – both at home and abroad – and consequently have a favourable effect on higher liquidity and growth of the share price on the stock exchange. The companies on the Ljubljana Stock Exchange that did so (e.g. Petrol d.d. and Krka d.d.) achieved significant growth on the stock exchange during this time, also as a result of such decision.

The dividend amount originally proposed by the Management Board and the Supervisory Board, i.e. EUR 1.70 gross per share, cannot be described as “attractive” as the Company would like to present it. Such dividend amount is even lower than the one that the Company could propose, taking into account – otherwise very questionable – the recommendations and restrictions of the Insurance Supervision Agency. From 2015 to 2019, the Company distributed dividends in the amount of EUR 2.50 gross per share every year. If before the coronavirus crisis in 2019 Zavarovalnica Triglav distributed EUR 56.8 million of EUR 66.8 million of accumulated profit for 2018 in dividends to the shareholders, the proposal of the Management Board and the Supervisory Board this year means paying out only EUR 38.6 million of EUR 89.6 million of accumulated profit in dividends to the shareholders.

Given the fact that last year – despite good business results in 2019 – the shareholders did not receive any dividends and that in 2020 the Group managed to collect even more written premium than before the coronavirus crisis, VZMD expected that the Company would make up to its shareholders this year by drafting a proposal according to which the dividend would be double (not lower!).

In view of some recommendations, requirements and even general orders of some institutions and associations regarding the non-payment of dividends, which were given this year again, VZMD again points out that the decision

on dividend distribution is in the hands of the owners. At the same time, VZMD has repeatedly called upon the institutions and associations that sent such warnings to publish any relevant analyses and information on the basis of which they have taken such unfounded and harmful positions – according to the firm belief of VZMD and the European Federation of Investors and Financial Services Users.

In the light of the above, we have not yet received any sound analysis that would justify such decisions with extremely far-reaching consequences. On the contrary – time has shown that the Company has operated even more successful during the coronavirus crisis and that it could have easily paid dividends already last year, thus also for 2019!

Yours respectfully,

Kristjan Verbič
President of VZMD