

Zavarovalnica Triglav, d.d.,
Miklošičeva 19, Ljubljana
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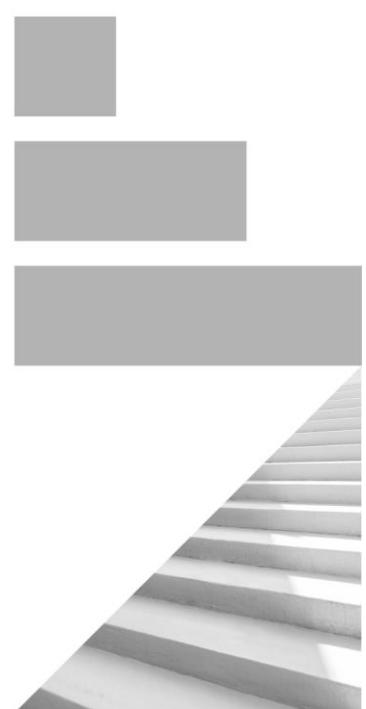
Remuneration policy of Zavarovalnica Triglav d.d.

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Pursuant to the Articles of Association of Zavarovalnica Triglav d.d., the Management Board of Zavarovalnica Triglav d.d. at its 12th/2024 meeting held on 19 March 2024 adopted and the Supervisory Board of Zavarovalnica Triglav d.d. at its 2nd/2024 session held on 28 March 2024 approved the following

REMUNERATION POLICY OF ZAVAROVALNICA TRIGLAV D.D.

1. INTRODUCTION

The Remuneration Policy of Zavarovalnica Triglav, d.d. (hereinafter: the Policy) is based on:

- Solvency II Directive 2009/138/EC as amended by Directive 2012/23/EU;
- Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC, which require insurance undertakings to adopt and apply a remuneration policy to ensure that employees' decision-making and risk-taking behaviour are consistent with their business objectives;
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
- Companies Act (Official Gazette of the Republic of Slovenia, Nos 65/09 – official consolidated version, 33/11, 91/11, 100/11 – Constitutional Court Order, 32/12, 57/12, 44/13 – Constitutional Court Decision 82/13, 55/15, 15/17, 22/19 – ZPosS, 158/20 – ZintPK-C, 175/20 – ZIUOPDVE, 18/21).

This Policy shall be established as one of the policies with which Zavarovalnica Triglav d.d. (hereinafter: the Company) implements a robust and reliable management system and ensures business integrity and transparency. The Policy shall be designed to take into account the Company's internal organisation and the nature, scope and complexity of risks by including sustainability risks.

2. PURPOSE OF THE POLICY

The purpose of the Policy shall be to design and implement such remuneration systems for employees and members of management and supervisory bodies that ensure the maintenance of the appropriate capital strength of the Company, encourage reliable and effective risk management, do not encourage taking risks exceeding the allowed (acceptable) risk limits of the Company, and provide for the acquisition and retention of competent, responsible and committed employees with appropriate professional competences.

The Policy shall set out key rules for determining remuneration, which shall comply with legal regulations and shall be regulated in greater detail with internal regulations.

The Policy shall be designed to be compatible and consistent with other elements of the governance system as follows:

- **with the Company's organisational structure**, i.e. with clearly defined powers and responsibilities for the establishment, implementation, control and monitoring of the Policy;
- **with the Company's risk management system**, i.e. by identifying the employees who may significantly influence the Company's risk profile when performing their work;
- **with the internal control system**, i.e. by defining internal control activities related to monitoring the adequacy of the remuneration system in relation to the Company's risk profile, its financial position and applicable regulations.

3. DEFINITIONS

The Solvency II Directive is Directive 2009/138/EC (subsequently amended by Directive 2012/23/EU of the European Parliament and of the Council of 12 September 2012), which requires insurance undertakings to adopt and apply a remuneration policy.

Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC laying down the principles for the preparation and application of a remuneration policy.

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector lays down rules for financial market participants on transparency with regard to the integration of sustainability risks in their processes and the provision of sustainability-related information.

Directors are employees under an individual agreement to perform work that requires special powers and responsibilities or who are in charge of a line of business or organisational unit at an insurance undertaking and have the authority to enter into legal transactions or to make independent personnel and organisational decisions.

Managers are employed in management positions under an individual agreement.

Key function holders are directors or other employees authorised by the Management Board to perform key functions with the Supervisory Board's approval.

Fixed remuneration is the basic salary for Management Board members or the basic salary for other employees.

Variable remuneration is the variable remuneration for the members of the Management Board or part of the salary arising from individual and company performance for other employees.

The remuneration of Supervisory Board members consists of the remuneration for performing the function, bonuses for performing the functions of Chairperson and Vice Chairperson of the Supervisory Board and of the members of Supervisory Board committees, attendance fees for attending meetings, and any travel and accommodation expenses.

4. PRINCIPLES OF THE POLICY

4.1 PROPORTIONALITY OF REMUNERATION

Employee remuneration shall be determined in proportion to the complexity, characteristics and scope of duties and/or functions, powers, responsibilities and experience, taking into account the business volume of the Company and the Triglav Group, the results achieved and comparability with the remuneration of employees in comparable insurance groups, and by encouraging employees to make decisions or take actions that help to implement the Company's objectives and contribute to appropriate risk management.

The Company shall develop proportionality criteria by defining the relationships between management, key and business functions and other employee categories, taking into account the significant impact on the risk profile.

The remuneration of the Supervisory Board members shall be in appropriate proportion to the duties of the Supervisory Board members as well as the Company's and the Triglav Group's financial position. The Supervisory Board members may not participate in the Company's profits.

4.2 COMPLIANCE WITH THE COMPANY'S STRATEGY AND LONG-TERM INTERESTS

The variable remuneration of employees shall be determined by taking into account the implementation of strategic guidelines, which also include the commitments to sustainability, long-term interests and performance of the Company and the Triglav Group as a whole.

4.3 EFFECTIVE RISK MANAGEMENT

The variable remuneration of employees shall be determined in such a way as to ensure and promote the effective management of all material risks in accordance with the risk taking and management strategy and not to encourage taking risks that exceed the maximum allowed exposures. Material risks shall include:

- underwriting risks,
- market risks,
- credit risks,
- liquidity risk,
- concentration risk,
- operational risks and
- non-financial risks (strategic risk, sustainability risks, legal risk, reputational risk and other non-financial risks).

The Company shall adjust the variable remuneration according to the risk profile, the business results and the financial position of the Company and the Triglav Group, and its ability to take risks.

4.4 PREVENTION OF CONFLICT OF INTEREST

The criteria and procedures for determining remuneration shall be documented, clearly defined and internally transparent, as well as designed to ensure that any conflict of interest is avoided.

Remuneration shall be determined by:

- the General Meeting of Shareholders for the Supervisory Board members and Supervisory Board committees,
- the Supervisory Board for the Management Board members,
- the Management Board and the Supervisory Board for the Director of Internal Audit Department,
- the Management Board for other employee categories.

Immediate family members (spouse or partner, one of the parents or an adoptive parent, child or adopted child, brother or sister) may not be involved in determining the variable part of an employee's remuneration.

Employee remuneration shall be determined by taking into account this Policy, applicable laws, collective agreements and the Company's internal acts, while remuneration of the Supervisory Board members shall be determined by taking into account this Policy and the resolutions of the General Meeting of Shareholders.

4.5 DEVELOPMENT OF A HIGH ORGANISATIONAL CULTURE AND FULFILMENT OF STRATEGIC OBJECTIVES

The variable remuneration of employees shall be determined by taking into account their contribution to achieving the Company's strategic and planning objectives, sustainable development goals, the goals of the organisational unit, high professional and ethical standards, a positive attitude towards internal controls and achieving individual goals.

5. ELIGIBILITY CATEGORIES FOR REMUNERATION

The Remuneration Policy shall apply to:

- the Supervisory Board,
- the Management Board,
- directors and managers, key function holders and other employees under individual agreements and
- employees under a collective agreement.

The performance and risk profile are significantly influenced by the Management Board, directors in charge of business functions and key function holders.

Employee remuneration shall be determined in:

- an individual agreement for the Management Board, directors and managers and other employees under an individual agreement and
- an employment agreement for employees under a collective agreement in accordance with this Policy, applicable laws, the collective agreement and the Company's internal acts.

The remuneration of the Supervisory Board members and members of the Supervisory Board committees shall be determined by a resolution of the General Meeting of Shareholders.

6. EMPLOYEE REMUNERATION

6.1 GENERAL

The basis for determining the remuneration system of Company employees shall be their powers and responsibilities, taking into account the importance of achieving business and strategic objectives, effective risk management, ensuring compliance and considering the guidelines on the relevant environmental, social and governance aspects of sustainable development.

Employee remuneration shall include a salary, reimbursement of costs, bonuses, severance pay and other benefits.

The salary of employees under the collective agreement shall consist of the basic salary, bonuses, individual performance-related pay and company performance-related pay.

The salary of employees under an individual agreement shall consist of the fixed part – the basic salary, bonuses and the variable part – individual and company performance-related pay.

The salary of the Management Board members shall consist of the basic salary – the fixed part and variable remuneration.

The basic salary shall be determined by taking into account the employee's complexity of work, responsibilities, powers, status, duties and tasks.

The part of the salary based on individual performance or the variable part of remuneration shall be determined by taking into account the achievement of individual goals, the achievement of the goals of the organisational unit and the business results of the Company.

The fixed part of remuneration must be a sufficient payment in the case the variable part of remuneration is withheld due to non-fulfilment of individual goals, goals of the organisational unit or poor business results of the Company, thereby ensuring a flexible policy of allocating part of salary based on individual performance or the variable remuneration, including the possibility of non-payment.

6.2 LIMITATIONS OF REMUNERATION

6.2.1 *Limitation of the payment guarantee of the variable part of remuneration in advance*

The Company shall not guarantee the payment of the variable remuneration to its employees in advance. The variable remuneration shall be paid only if good business results allow it to do so and if the goals of the organisational unit and the individual employee are realised in the accounting period.

6.2.2 *Limitation of personal hedging*

The Company's employees shall not use any personal hedging strategies or remuneration and liability-related insurance which would undermine the risk alignment effects embedded in their remuneration arrangement.

6.2.3 *Limitations with respect to early termination of an employment agreement*

In the event of the early termination of an employment agreement, the Company shall ensure that the variable remuneration and severance pay are paid taking into account the relevant legislation and internal regulations and the employee's performance throughout the entire period of work and shall not reward the employee for underperformance.

6.2.4 *Limitations on the payment of the variable part of remuneration in accordance with the Company's financial position*

The Policy shall be implemented in such a way as to put the Company's interests before the employee's interests.

The variable part of remuneration shall be paid by the Company only if it is based on the achieved business results, taking into account the Company's financial position and the achieved goals of the Company, organisational unit and employee.

More detailed criteria for assessing the Company's financial position and the results of the Company, individual organisational units and individual employees, which justify the payment of the variable part of remuneration, shall be determined by the Company in its internal acts.

The variable part of remuneration must be based on a balanced set of indicators, which include effective risk management, ensuring compliance and sustainable development goals.

The Company shall not compensate for the lower variable remuneration of a certain year, which was reduced due to the adjustment of remuneration to risks, by increasing the variable part in later years and shall not convert the variable part of remuneration into the fixed part of remuneration.

In assessing individual performance, the Company shall include a downwards adjustment for exposure to current and future risks, taking into account its risk profile and the cost of capital.

The Company shall take into account the impact of planned payments of the variable part of remuneration, including their deferred part, on the calculation and planning of capital and on its liquidity. If it is established that the fulfilment of capital management- or liquidity-related obligations or objectives is at risk, the Management Board and the Supervisory Board shall immediately adopt a conservative approach to the variable remuneration.

6.3 ADJUSTMENT OF EMPLOYEE REMUNERATION THAT HAS A SIGNIFICANT IMPACT ON THE COMPANY'S PERFORMANCE AND RISK PROFILE

6.3.1 Ratios between the fixed and the variable remuneration

Employee remuneration that significantly affects the Company's performance and risk profile must encourage prudent risk-taking.

For this purpose, the Company:

- shall set the appropriate ratios between the fixed part and the variable part of remuneration, the fixed part being set in a correspondingly high proportion of total remuneration;
- shall set an individual's variable remuneration in such a way that it does not exceed 100% of the fixed remuneration;
- shall determine the variable remuneration based on the performance assessment of employees, their organisational units and the Company;
- shall adjust the variable part of remuneration of employees to the material risks to which the Company is or may be exposed in accordance with its risk taking and management strategy;
- may defer the payment of part of the variable remuneration.

6.3.2 Performance assessment and adjustment of remuneration to risks

The Company shall determine the entire variable part of remuneration by taking into account the employee's performance, the performance of the organisational unit and the business results of the Company.

The employee's performance shall be determined by taking into account the impact of the employee's activities on the Company's performance in the short and long term, including taking into account the current and future risks to which the Company is exposed. When determining performance, criteria set out in internal documents shall be taken into account.

6.3.3 Payment of variable remuneration

The Company may divide the payment of the variable part of remuneration into the part to be paid after the end of the accounting period and the part to be paid during the deferral period.

If the Company divides the payment of the variable part of remuneration, a significant proportion of the variable remuneration shall be paid, i.e. up to 50% within the deferral period, which shall be regulated in more detail in an internal document. The proportion of the payment of the deferred part of the variable remuneration within the deferral period shall be determined by taking into account the nature of transactions, risks and employee performance; in particular, the purpose of the deferral is to pursue the long-term effects of achieving goals and related risk management.

By applying the principle of proportionality, the Company may waive the deferral of the payment of the variable remuneration for employees who significantly affect the Company's risk profile (except for the Management Board), provided that the waiver does not affect the achievement of the Policy's general objectives.

7. REMUNERATION OF THE MANAGEMENT BOARD

7.1 GENERAL

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.

The remuneration of Management Board members shall be set at such a level that it promotes the achievement of strategic and planning goals, reliable and efficient risk management, sustainable development goals and ensures the long-term sustainability of operations.

During the period in which the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (Official Gazette of the Republic of Slovenia, Nos 21/10, 8/11 and 23/14, hereinafter: ZPPOGD) and implementing regulations issued on its basis shall apply, any limitations arising therefrom shall be taken into account.

7.2 BASIC SALARY – fixed remuneration

The basic salary of the President and members of the Management Board shall be determined taking into account the criteria from the previous point. It is specified in the contract of employment and appointment to office. The basic salary of the President and members of the Management Board shall not exceed EUR 22,000.00. Every two years, the ceiling shall be increased according to the increase in the average consumer price index for each of the last two years.

The contract of employment and appointment to office concluded with the President and the members of the Management Board shall set the basic salary within the limits defined in the previous paragraph of this Policy, i.e. the amount of the basic salary of the President of the Management Board shall be set at the ceiling and the amount of the basic salary of each Management Board member shall be up to a maximum of 95% of the President of the Management Board's salary, depending on the duties and responsibilities of the specific Management Board member (e.g. taking into account the sectoral division of their areas of responsibility, their individual qualities (knowledge, experience, references, skills) and the remuneration of members of the management bodies of comparable companies in the insurance sector in Slovenia and in the region).

Notwithstanding the above, during the period in which the ZPPOGD shall apply, the basic salary of the President of the Management Board shall be 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 Companies Act. The basic salary of a Management Board member shall be set at 95% of the basic salary of the President of the Management Board. The President and members of the Management Board shall not be entitled to a bonus for past work because it is included in the basic salary. The basic salary of the Management Board members may be reduced by up to 10% in the case of failure to achieve the planned goals.

7.3 VARIABLE REMUNERATION

The performance-based variable remuneration may be set at a maximum of 60% of the basic salaries paid in the financial year. If the Company meets at least all of the following criteria: it is a public limited company, more than 50% of its net revenue is generated in foreign markets, it has more than 5,000 employees in the group and it has at least EUR 500 million of share capital, a performance-based variable remuneration may be set up to a maximum of 100% of the basic salaries paid in the financial year. Notwithstanding the above, during the period in which the ZPPOGD shall apply, the amount of the variable remuneration may be set at a maximum of 30% of the basic salaries paid in the financial year.

The variable part of a Management Board member's salary shall include:

- A part of the salary for company performance set at a maximum of 40% of the average basic salaries paid in the financial year;
- A part of the salary for the overall performance of the Management Board based on the overall annual targets of the Management Board set at a maximum of 10% of the average basic salaries paid in the financial year;
- A part of the salary for individual performance based on the personal annual targets of a Management Board member set at a maximum of 10% of the average basic salaries paid in the financial year.

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

- **The financial 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, which represent 70% of all criteria and reward both short-term and long-term company performance;
- **Non-financial 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, which represent 30% of all the criteria and reward both short-term and long-term company performance.

The criteria for calculating performance shall be 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 shall measure deviations from the set goals by awarding the 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.

The variable remuneration shall be 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 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.

Regardless of the result of the methodology and valuation in accordance with the criteria for determining the variable part of the salary, and if it assesses that there were certain positive effects on the development of the Triglav Group throughout the financial year which were not properly accounted for in the methodology or will only become visible in the long term, or if the Management Board did an excellent job under extremely difficult circumstances, over which they had no influence, the Supervisory Board shall have the discretionary

right to increase the set percentage of the variable part of the salary accordingly, but the final percentage cannot exceed the maximum limit of the variable part of the salary.

7.3.1 *Deferral of variable remuneration*

For 50% of the variable remuneration of which payment is deferred, the Company's long-term profitability in the period from the approval of the variable remuneration to the payment of the deferred part of remuneration shall be taken into account when determining the deferred part of the variable remuneration. The payment of 40% of the variable remuneration shall be deferred for at least two years and the payment of 10% of the variable remuneration for at least three years.

Notwithstanding the above, during the period in which the ZPPOGD shall apply, the limitations referred to in the ZPPOGD shall be taken into account.

The deferred part of the variable part of remuneration shall not be paid if, in the interim period, significant negative consequences for the Company are identified which originated from its operations in the year for which the variable part of the salary was awarded, and had these negative consequences been known at the time, the variable part of remuneration would not have been awarded, or if the term of office of the Management Board member has ended due to their removal on fault-based grounds.

7.3.2 *Return of variable remuneration (clawback)*

Under the conditions set out in the Companies Act, the Supervisory Board may request the return of the variable remuneration already paid:

- if the voidness of the annual report is finally established and the reasons for voidness refer to items or facts which were used as the basis for determining the variable part; or
- on the basis of a special auditor's report which establishes that the criteria for determining the variable part of remuneration were not used correctly or that the key accounting, financial and other data as well as indicators were not properly established or considered.

The return (clawback) of an already paid variable remuneration may be requested within three years of the date of payment of the full or partial payment of the variable remuneration.

7.3.3 *Participating in profits and stock options*

Management Board members may not participate in the Company's profits. Management Board members are not entitled to stock options.

7.4 OTHER RIGHTS AND BENEFITS

Other rights and benefits shall be set out in the Rules adopted by the Supervisory Board, according to which the amount shall be determined by taking into account short-term performance, the promotion of achieving the business strategy, long-term performance and development, sustainable business and the sustainability of the Company. Notwithstanding the above, during the period in which the ZPPOGD shall apply, the limitations referred to in the ZPPOGD shall be taken into account.

They give the Management Board members the right to use the assets owned by the Company:

- the right to use a company car also for private purposes up to the retail price of the vehicle, VAT inclusive, up to a maximum of EUR 60,000 for petrol- or diesel-powered vehicles or EUR 70,000 for electric-powered vehicles;
- the right to use a mobile phone, laptop and tablet, for business and private purposes.

Other rights:

- the right to an executive health check-up with a preventive health programme;
- the right to group accident insurance under the terms and conditions applicable to all workers;
- the right to pension insurance (supplemental voluntary pension insurance – PDPZ in the amount and under the terms and conditions applicable to all workers; group voluntary pension insurance – PPZ in accordance with, or up to, the maximum amounts laid down in the internal regulations;
- the right to the payment of a liability insurance premium;
- the right to complementary health insurance;
- the right to reimbursement of all training-related expenses up to a maximum of EUR 20,000 per year;
- the right to the reimbursement of the costs of membership fees related to the performance of their function up to a maximum of EUR 3,000 per year.

The details of the rights shall be set out in the rules binding on the Management Board members.

The President and members of the Management Board shall be entitled to the reimbursement of labour-related costs, pay for annual leave, jubilee bonuses and salary compensation in accordance with the law, the collective agreement and general regulations binding on the Company.

The total amount of other rights and benefits without salary compensation for the President and members of the Management Board shall not exceed 1/3 of the sum of all fixed and maximum variable remuneration determined by this Policy.

7.5 EMPLOYMENT AGREEMENT

Based on the decision on appointment, the Supervisory Board shall enter into an employment agreement with a Management Board member, which regulates the rights, obligations and responsibilities related to the performance of their function. The employment agreement shall be concluded for the duration of the term of office, which is five years. The employment agreement shall be terminated if the Management Board member is not reappointed after the expiry of their term of office or if they were dismissed during their term of office in accordance with law or based on a resignation letter submitted by the Management Board member following the six-month notice period.

In the event of termination of the employment agreement due to retirement, the Management Board member shall be entitled to severance pay upon retirement in the amount of two times the average monthly basic salary in the last three months before the termination of employment. The Management Board members shall be entitled to severance pay equalling six times the average monthly basic salary they received

as board members if they are dismissed for economic and business reasons and their employment is terminated as a consequence.

8. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board and its committees shall be determined by a resolution of the General Meeting of Shareholders. It shall consist of the remuneration for performing the function, bonuses for performing the functions of Chairperson and Vice Chairperson 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. 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 shall be paid for their work in the committees from the funds intended for the work of the Supervisory Board. The amount of the 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.

The remuneration of the Supervisory Board members shall be disclosed in a section of the business and accounting reports of the annual report of the Triglav Group and Zavarovalnica Triglav.

9. PARTICIPATION OF CONTROL FUNCTIONS

Employees in the internal control system shall participate in the formulation, supervision and review of the adequacy of the remuneration policy in accordance with their powers.

Employees of the Risk Management Department, the Internal Audit Department and the Compliance Department shall be independent in the performance of their duties and shall act objectively. The criterion for formulating the remuneration of employees in control functions shall not threaten their independence and objectivity. The remuneration of employees engaged in control functions shall be independent of the performance of the organisational units which they supervise.

10. BODIES IN CHARGE OF THE FORMULATION, IMPLEMENTATION AND CONTROL OF THE POLICY

10.1 GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders shall:

- approve the Remuneration Policy,
- take note of or vote on the Remuneration Report,
- determine the remuneration of the Supervisory Board members and members of the Supervisory Board committees.

10.2 SUPERVISORY BOARD

The Supervisory Board shall:

- co-decide on the Remuneration Policy of Zavarovalnica Triglav;
- discuss the remuneration report;

- determine the remuneration policy for the Management Board members and co-decide on the remuneration policy for the Director of Internal Audit Department;
- define the methodology for determining the variable remuneration and decreasing basic salary of the Management Board members;
- approve the common and personal objectives for all Management Board members, the expected target value, the assigned weight of the overall assessment and the method for measuring or assessing the achievement of objectives;
- determine the remuneration of the Management Board members and decide on the deferral period of the variable remuneration for the Management Board;
- adopt rules regarding other rights of the Management Board in accordance with the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities;
- take measures together with the Management Board to implement a conservative variable remuneration policy when the fulfilment of capital- or liquidity-related obligations or objectives is at risk;
- review annually the adequacy of this Policy and the implementation of general and specific principles and take measures to implement them.

10.3 APPOINTMENT AND REMUNERATION COMMITTEE

The Appointment and Remuneration Committee shall:

- draw up proposals for the remuneration policy for the Management Board members and discuss the remuneration policy for the Director of the Internal Audit Department;
- formulate a proposal of the methodology for determining the variable remuneration and decreasing basic salary of the Management Board members;
- formulate a proposal of the common and personal objectives for all Management Board members, the expected target values, the assigned weight of the overall assessment and the method for measuring or assessing the achievement of objectives;
- propose to the Supervisory Board the determination of remuneration of the Management Board,
- draft proposals of measures to implement a conservative variable remuneration policy when the fulfilment of capital- or liquidity-related obligations or objectives is at risk and submit them to the Supervisory Board;
- review once a year the adequacy of this Policy, the implementation of general and specific principles and draft proposals of measures for Supervisory Board;
- carry out the professional and independent assessment of the remuneration policy and on that basis draft initiatives for taking measures to improve the management of the Company's capital risks and liquidity;
- check the compliance of remuneration policies with the Company's business policy in the medium and long term and formulate a proposal of measures in the case of non-compliance.

10.4 MANAGEMENT BOARD

The Management Board shall:

- set out and ensure the implementation of the remuneration policy and take measures to improve the management of the Company's capital risks and liquidity,
- decide together with the Supervisory Board on the Company's remuneration policy and the remuneration policy of the Director of the Internal Audit Department,
- adopt internal acts for determining the remuneration of employees,
- determine the remuneration of employees,
- take measures together with the Supervisory Board to implement a conservative variable remuneration policy when the fulfilment of capital- or liquidity-related obligations or objectives is at risk,
- review the adequacy of this Policy, the implementation of the Policy's general and specific principles and take measures to implement them.

10.5 INTERNAL CONTROL FUNCTIONS

The Internal Audit Department, the Compliance Department and the Risk Management Department shall be involved in the formulation, implementation and control of the Policy and the review of its adequacy. They shall perform their duties in accordance with their powers and shall define them in respective annual work plans.

10.6 HUMAN RESOURCE MANAGEMENT DIVISION AND LEGAL OFFICE

The Human Resource Management Division and the Legal Office shall monitor the implementation of the remuneration policy and practices, report to the Management Board, the Supervisory Board and the Appointment and Remuneration Committee, draft proposals for remuneration-related decisions, draw up amendments, identify potential conflicts of interest, propose measures for their prevention and cooperate with internal control functions.

11. TRIGLAV GROUP

This Policy shall be a reference document for the drawing up of a remuneration policy and its implementation in the Triglav Group subsidiaries, whereby the Group companies shall be required to take into account the relevant local legislation when formulating remuneration policies for members of the management and supervisory bodies.

Directors and officers liability insurance shall be concluded for all members of the management and supervisory bodies of all companies within the Triglav Group.

The members of the supervisory body in each Triglav Group company shall be entitled to remuneration for performing their function and to the attendance fee in the amount determined by the General Meeting of Shareholders. The members of the supervisory body of individual Group subsidiaries – shareholder representatives who are employed at Zavarovalnica Triglav, d.d. in the field of management of subsidiaries shall waive the remuneration for performing their function in supervisory bodies. Management Board members of Zavarovalnica Triglav d.d. shall not receive any remuneration or be paid a meeting attendance fee for performing the function of a member of the supervisory body or other tasks in a subsidiary. They shall be entitled to the reimbursement of travel expenses for attending meetings.

The supervisory body members in the Triglav Group companies may not participate in profits.

12. TEMPORARY DEVIATION FROM THE REMUNERATION POLICY

In exceptional circumstances necessary to realise the long-term interests and sustainability of the Company as a whole or to secure its assets, the Company may temporarily deviate from the remuneration policy if, on the basis of business results, the Company's financial and liquidity position, the macroeconomic situation, the labour market and the selection of an appropriate Management Board member and taking into account the reports on risks, capital adequacy and business performance forecast, the Supervisory Board assesses that a temporary deviation from the remuneration policy is reasonable and appropriate and in the Company's best interest. In the latter case, a temporary deviation shall be possible for as long as the reasons for the deviation exist, namely in the case of limitations regarding the amount of the fixed and variable parts of remuneration of the Management Board members, other rights and benefits, and reasons for non-payment of the deferred part of the variable part of remuneration.

13. PERIODIC POLICY REVIEW

The Human Resource Management Division, in cooperation with the Compliance Department and the Legal Office, shall review the compliance of this Policy with the strategy, the Governance Policy of Zavarovalnica Triglav d.d. and other policies in the governance system of Zavarovalnica Triglav d.d., laws, implementing regulations and internal acts, and shall report on their findings to the Management Board.

14. REFERENCE DOCUMENTS

The reference documents shall be listed in the Gecko HRM application.

15. FINAL PROVISIONS

This Policy shall enter into force as of 1 May 2024.

When necessary, the Supervisory Board shall harmonise the rules and contracts of employment and appointment to office of the Management Board members within four months from the entry into force of the amendments to this Policy.

The Remuneration Policy shall be published on the intranet in the Gecko HRM application. The previous version shall expire on the date of entry into force of this Policy.

The Remuneration Policy shall be submitted to the General Meeting of Shareholders for approval upon every major change, but at least every four years.

*Management Board and Supervisory Board
of Zavarovalnica Triglav d.d.*

