

ZAVAROVALNICA TRIGLAV, D.D.
MIKLOŠIČEVA CESTA 19, 1000 LJUBLJANA

CORPORATE GOVERNANCE STATEMENT

The Corporate Statement below is included in the audit annual report of Triglav Group and Zavarovalnica Triglav, d.d. for 2020

1. Governance policy

The main guidelines for the governance of the Company are defined by the Governance System and Policy of Zavarovalnica Triglav d.d., which are adopted by the Management and Supervisory Boards, taking into account the set long-term objectives and values. They are the foundation for implementing a reliable governance system, which is based on an effective risk management system and enables the implementation of the Company's business strategy. The document is published on SEOnet, the Ljubljana Stock Exchange information system, and on Zavarovalnica Triglav's official website (www.triglav.eu).

2. Statement of Compliance with the Slovene Corporate Governance Code

In its operations, Zavarovalnica Triglav abides by the Corporate Governance Code (hereinafter: the Code), which was adopted on 27 October 2016 and which is available on the website of the Ljubljana Stock Exchange in Slovenian and English (www.ljse.si).

Zavarovalnica Triglav's statement of compliance with the Corporate Governance Code for the period from 1 January 2020 to the day of publication in 2021 is available on SEOnet and Zavarovalnica Triglav's official website (www.triglav.eu).

Zavarovalnica Triglav adheres to the provisions of the Code. For well-grounded reasons, the Company did not comply with the following provisions of the Code:

- Point 5.7 of the Code relating to an external assessment of the appropriateness of the Corporate Governance Statement by an independent institution:

The Corporate Governance Statement, as part of the annual report, is reviewed annually by an independent external auditor. Zavarovalnica Triglav is a regulated company whose operations are supervised by the Insurance Supervision Agency. In addition, one of its key functions is internal audit, which performs continuous and comprehensive supervision of the Company's operations in order to verify and assess whether the processes of risk management, control procedures and management of the Company are appropriate.

- Point 14.4 of the Code stipulating that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an institution or external experts:
 Each year, the Supervisory Board, with the assistance of competent departments, carries out self-assessment of its work and the work of its committees and draws up a report. It takes a position on this and adopts an action plan to improve its functioning. At its discretion, the Supervisory Board also performs external assessment, in which it cooperates with relevant external experts.
- Point 19.6 of the Code relating to the prior approval of the Supervisory Board before the appointment of the members of the Management Board to the management or supervisory bodies in other companies:
 Pursuant to the resolution of the Supervisory Board, the members of the Management Board do not require the approval of the Supervisory Board prior to their appointment to the management or supervisory bodies of Zavarovalnica Triglav's direct and indirect subsidiaries and associates; however, the Management Board members promptly inform the Supervisory Board in writing about their appointment in accordance with point 1 of paragraph two of Article 62 of the Insurance Act (ZZavar-1).
- Point 23 of the Code stipulating that all supervisory board and committee members are independent:
 Two members of the Supervisory Board, both employee representatives, are not independent in accordance with point g) of Appendix B3 of the Code, as they have served on the Supervisory Board for more than three terms.

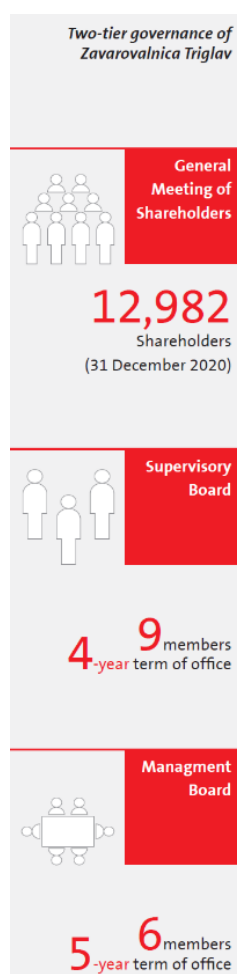
In its operations, the Company abides by the principles of the Insurance Code, available on the website of the Slovenian Insurance Association (www.zav-zdruzenje.si).

Zavarovalnica Triglav also has its own code, published on its official website (www.triglav.eu). This code presents Zavarovalnica Triglav's fundamental values and principles of operation in order to achieve its business objectives, strategic guidelines and competitive advantages in a fair and transparent manner and in compliance with the law and ethics.

Zavarovalnica Triglav took a position on the provisions of the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding (both available on the website of Slovenski državni holding d.d. at www.sdh.si), which is published on the Company's official website (www.triglav.eu).

The Statement of compliance with the Slovenian Corporate Governance Code is available both on SEOnet and the Company's official website (www.triglav.eu).

3. Management bodies of Zavarovalnica Triglav



The Company uses a two-tier governance system. Its management and supervisory bodies are as follows: **General Meeting of Shareholders**, **Management Board** and **Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association and adopted rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website (www.triglav.eu).

3.1. General Meeting of Shareholders

The shareholders of Zavarovalnica Triglav exercise their rights in respect of the matters concerning the Company through the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. The General Meeting of Shareholders may also be convened in other circumstances set out in the law and the Articles of Association, and when it is in the interest of the Company.

The powers and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles of Association. The Articles of Association do not set out any specific provisions regarding their amendment.

Each share of Zavarovalnica Triglav gives its holder the right to:

- one vote at the General Meeting of Shareholders,
- proportional dividends from the profit intended for the dividend payment and
- a proportional share from the remaining bankruptcy or liquidation estate in the event of bankruptcy or liquidation.

All shareholders who are entered in the share register managed by KDD – Centralno klirinška depotna družba d.d. no later than by the end of the fourth day before the date of the General Meeting of Shareholders have the right to attend the General Meeting and exercise their voting rights if they apply to be present by the specified deadline.

The rights and obligations attached to the shares as well as the notes on the restriction of transfer of shares and on reaching a qualifying holding are described in Section 6.2 *Equity*. See the Insurance Act for further details.

In accordance with the Financial Instruments Market Act, the following three shareholders of Zavarovalnica Triglav hold a qualifying holding (as at 31 December 2020):

- Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Institute of Pension and Invalidity Insurance of Slovenia; hereinafter: ZPIZ) is the direct holder of 7,836,628 shares or 34.47% of the share capital of Zavarovalnica Triglav. Its stake remained unchanged in 2020. On behalf and for the account of ZPIZ, the shareholder's rights attached to the shares were managed by Slovenski državni holding d.d. (hereinafter: SDH).
- SDH is the direct holder of 6,386,644 shares or 28.09% of the share capital of Zavarovalnica Triglav. Its stake remained unchanged in 2020.
- Addiko Bank d.d., Pension fund 1 – fiduciary account, Zagreb, is the holder of 1,526,190 shares or 6.71% of the share capital of Zavarovalnica Triglav, representing an increase of 32,129 shares or 0.14 percentage point over the 2019 year-end.

As at the reporting date, Zavarovalnica Triglav had no other shareholders whose interests exceeded 5.00% of the share capital, nor any issued securities that would grant their holders special control rights.

General Meeting of Shareholders in 2020

Zavarovalnica Triglav's shareholders met once, i.e. on 2 June 2020, at the 45th General Meeting of Shareholders. The total number of shares and voting rights represented at the General Meeting of Shareholders was 18,884,305 or 83.06% of all shares to which the voting rights are attached. The General Meeting of Shareholders was briefed on:

- the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2019,
- the opinion given by the audit firm,
- the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2019,
- 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 2019,
- the Opinion of the Supervisory Board on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2019,
- the remuneration policy for the members of the management and supervisory bodies of Zavarovalnica Triglav d.d. and the remuneration policy for the members of the management bodies for the three largest Triglav Group subsidiaries for 2019 and
- the appointment of new Supervisory Board members, employee representatives.

When deciding on the use of accumulated profit, the shareholders adopted a resolution not to distribute accumulated profit, which amounted to EUR 60,543,474.97 as at 31 December 2019.

The shareholders granted a discharge for the 2019 business year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav.

The General Meeting of Shareholders took note of the expiry of the term of office of the Supervisory Board member Igor Stebernak, shareholder representative, and reappointed him for a four-year term of office, which commenced on 3 June 2020.

At the General Meeting of Shareholders, the Pan-Slovenian Shareholders' Association (VZMD) announced an action to set aside all adopted resolutions. However, no such action was filed against Zavarovalnica Triglav.

3.2. Management Board

The Management Board manages the Company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the Company is always jointly presented and represented by two members of the Management Board, one of whom is its President.

Any person fulfilling the requirements stipulated by the Insurance Act, the Companies Act and the applicable documents of the Company may be appointed to the Management Board as its President or member. The fit and proper criteria, which the Management Board members and other individuals are required to meet, are clearly defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., which sets out the fit and proper assessment procedure for Management Board members to be performed before the appointment, periodically, extraordinarily or after the appointment of an individual Management Board member. Furthermore, the policy determines the fit and proper assessment

criteria and procedures for the Management Board as a collective body. With respect to the latter, the Supervisory Board takes into account the diversity of knowledge and competences, which not only allow comprehensive functioning of the Management Board, but also contribute to an appropriate variety of skills, knowledge and experience for professional management of Zavarovalnica Triglav. All members are required to collectively possess the relevant knowledge and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which Zavarovalnica Triglav operates. In addition to the above, the Diversity Policy, which aims to ensure complementarity and diversity in the Management Board by taking into account various qualifications, experience and knowledge defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., gender balance and representation of different age groups, is taken into account in the appointment of an individual Management Board member. In the selection process, if several candidates meet the fit and proper criterion, the candidate who will contribute to greater diversity of the Management Board will have priority. The aim is for both genders to be represented on the management body. A comprehensive approach enables prudent and careful management of the Company, thus achieving strategic objectives and ensuring long-term values for all key stakeholders.

In November 2020, a periodic assessment of all Management Board members and the Management Board as a collective body was performed, whereby all members individually and the Management Board as a collective body were assessed as fit and proper.

3.2.1. Composition and appointment of the Management Board

According to the Articles of Association, the Management Board has no less than three and no more than six members, one of whom one is the president. The number of the Management Board members, their powers, the manner of representation and presentation, and the delegation of the Management Board's powers are determined by the Supervisory Board in the Management Board Rules.

The Management Board is appointed by the Supervisory Board. The term of office of an individual Management Board member is up to five years, with the possibility of reappointment without limitation. Zavarovalnica Triglav has one Worker Director, who is a member of the Management Board.

The appointment and dismissal of an individual or all Management Board members is proposed to the Supervisory Board by the President of the Management Board. Any individual member or President of the Management Board may be dismissed by the Supervisory Board if legal grounds for their dismissal have been established.

3.2.2. Management Board's powers to increase the share capital

In accordance with the Company's Articles of Association, the Management Board is authorised to increase the share capital of Zavarovalnica Triglav by up to EUR 14,740,278.36 by issuing new shares for in-cash contributions within five years of 2 June 2016. The issue of new shares, the amount of capital increase, the rights attached to the new shares and the conditions for issuing new shares are decided upon by the Company's Management Board with the consent of the Supervisory Board. Following a share capital increase, the Supervisory Board is authorised to amend the Company's Articles of Association.

3.2.3. Presentation of the Management Board, its functioning and powers

Composition of the Management Board in 2020¹

First and last name	Function	Area of work in the Management Board (as at 31 December 2020)	State of term of office (the first)	End of term of office	Gender	Nationality	Date of birth	Education	Professional profile	Membership in the supervisory and/or management bodies of other companies
Andrej Slapar	President	Manages and directs the work of the Management Board and head office support departments (the Management Board Office, the Legal Office, the Internal Audit Department, the Corporate Communication Department and the Compliance Office). In charge of the Corporate Accounts, Marketing, and Business Intelligence and Client Relationship Management divisions, HR matters related to the employees with special powers, arbitration and Jedrski Pool GIZ (a nuclear insurance and reinsurance pool).	22 May 2013	12 November 2024	Male	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance and reinsurance, actuarial science	Krka d.d. (until 20 August 2020) Pozavarovalnica Triglav Re d.d.
Uroš Ivanc	Member	In charge of the following head office support departments: the Strategic Purchasing Department, the Risk Management Department, the Strategic Planning and Controlling Department, the independent Non-Life Insurance Development and Actuarial Department, and the Accounting and Finance divisions excluding the Investment Department.	14 July 2014	15 July 2024	Male	Slovenian	1975	MSc in business and organisation	Management and organisation, strategic management, insurance, financial management, financial markets and analyses, asset management, risk management	Triglav, upravljanje naložb in svetovalne storitve d.o.o. Triglav, Zdravstvena zavarovalnica d.d. ZTSR d.o.o. (from 17 March 2020)
Tadej Čoroli	Member	In charge of the Non-Life Insurance, Non-Life Insurance Claims, Insurance Sales, and Digitalisation, Processes and Technology divisions.	29 July 2014	30 July 2024	Male	Slovenian	1975	LL.M.	Management, strategic management, commercial law, insurance, marketing	
Barbara Smolnikar	Member	In charge of the Life Insurance Division and the independent Life Insurance Development and Actuarial Department. Responsible for anti-money laundering.	17 October 2017	17 October 2022	Female	Slovenian	1967	PhD in management	Management, strategic management, banking, bancassurance, financial markets and analyses, risk management	Triglav, pokojninska družba d.d.
David Benedek	Member	In charge of the Subsidiary Management Division and the Investment Department.	29 August 2019	29 August 2024	Male	Slovenian	1973	MSc in business and organisation	Management, strategic management, banking, insurance, financial markets and analyses, corporate governance	Triglav Osiguranje, Zagreb d.d. Triglav INT d.d. Triglav, upravljanje naložb in svetovalne storitve d.o.o. Triglav, Upravljanje nepremičnin d.d. Triglav Skladi d.o.o. Diagnostični center Bled d.o.o. (from 2 April 2020)
Marica Makoter	Member and Worker Director	Represents the workers' interests as set out in the Worker Participation in Management Act. In charge of the independent Fraud Prevention, Detection and Investigation Department and the Change and Project Portfolio Management Department. Responsible for the IT, Back Office and Human Resource Management divisions (excluding HR matters related to the employees with special powers).	21 December 2011	22 December 2021	Female	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance, human resources and organisation, worker representation	

¹ GRI GS 405-1, SASB: FN-AC-330a.1

Andrej Slapar took over the position of the President of the Management Board seven years ago, and in 2020 all members of the Management Board (together) performed their function for an average of five years.

Data on the remuneration of the Management Board members are disclosed in Section 5.6 of the Accounting Report. The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d., which is based on Directive 2009/138/EC – Solvency II, as amended by Directive 2012/23/EU, and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC.

The Remuneration Policy of Zavarovalnica Triglav d.d. is designed to ensure the Company's appropriate capital strength, to encourage reliable and effective risk management while not promoting the assumption of risks exceeding the allowed risk limits, and to provide for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. The policy serves as a foundation for implementing a robust and reliable governance system and ensures business integrity and transparency.

Composition and remuneration of the Management Board in 2020 (EUR)

Name and surname	Function	Fixed remuneration – gross (1)	Variable remuneration – gross			Deferred remuneration – gross (3)	Severance pay (4)	Benefits and SVPI (5)	Claw-back (6)	Total gross (1+2+4-6)	Total net (1+2+4-6)
			based on quantitative criteria	Based on qualitative criteria	Total variable remuneration (2)						
Andrej Slapar	President	188,542	51,114	0	51,114	57,786	0	73,806	0	239,656	79,885
Uroš Ivanc	Member	179,219	48,559	0	48,559	54,896	0	44,322	0	227,778	81,428
Tadej Čoroli	Member	179,219	48,559	0	48,559	54,896	0	50,387	0	227,778	78,945
Barbara Smolnikar	Member	179,219	28,764	0	28,764	51,039	0	50,546	0	207,983	71,136
David Benedek	Member	179,839	8,559	0	8,559	8,559	0	51,619	0	188,398	63,155
Marica Makoter	Member	179,219	48,559	0	48,559	54,896	0	49,837	0	227,778	78,068
Benjamin Jošar	Member until 2 November 2017	0	4,365	0	4,365	3,857	0	0	0	4,365	2,550
Total		1,085,257	238,479	0	238,479	285,929	0	320,517	0	1,323,736	455,167

* The disclosure does not include travel expenses, accommodation costs and daily allowance as, by their nature, they are not considered remuneration of the Management Board.

** The data under item (2) contain the third portion of the bonus for 2016, the second portion of the bonus for 2017 and the first portion of the bonus for 2019, which were paid in 2020.

*** The data under item (3) contain the third portion of the bonus for 2017, the second and third portions of the bonus for 2018 and the second and third portions of the bonus for 2019, which will be paid out in the coming years.

**** The data under item (5) include the benefits and the supplemental voluntary pension insurance premium.

3.3. Supervisory Board

The Supervisory Board is composed of six shareholder representatives and three employee representatives. As a supervisory body, it supervises the Company's management with full responsibility.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Works Council. The Chairman and Vice Chairman of the Supervisory Board are elected from among its members representing shareholders. Their appointment and dismissal are made in accordance with the applicable legislation and the documents of the Company. The members of the Supervisory Board are given a four-year term of office and may be re-elected without limitation. The General Meeting of Shareholders may dismiss any elected member of the Supervisory Board before the expiry of their term of office, while each member of the Supervisory Board may resign from the position under the conditions and in the manner laid down by the Articles of Association.

The fit and proper criteria as set out in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. also apply to both the Supervisory Board as a collective body and to Supervisory Board members as individuals. Fit and proper assessments are made before the appointment, periodically, extraordinarily or after the appointment of an individual Supervisory Board member.

In assessing the composition and performance of the Supervisory Board as a collective body along with a diverse gender and age structure, the Supervisory Board takes into account diversity in such a manner that all members possess the relevant knowledge, skills and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which Zavarovalnica Triglav operates. In addition to the above, the Diversity Policy, which aims to ensure complementarity and diversity in the Supervisory Board by taking into account various qualifications, experience and knowledge defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., is taken into account in the appointment of an individual Supervisory Board member. This enables prudent and careful supervision of the Company, thus achieving strategic objectives and ensuring long-term values for all key stakeholders, representation of both genders and representation of different age groups.

The Diversity Policy was also taken into account in the appointment of Igor Stebernak, a Supervisory Board member – shareholder representative, for a new four-year term of office. Igor Stebernak, whose term of office expired on 2 June 2020 and whose new term of office commenced on 3 June 2020, contributes to the greater diversity of the Supervisory Board with his knowledge and experiences.

Nataša Damjanovič resigned as a Supervisory Board member on 18 June 2020 due to commitments related to her new employment. Pursuant to paragraph two of Article 21 of Articles of Association of Zavarovalnica Triglav d.d., her term of office ended upon the expiry of a three-month notice period, i.e. on 18 September 2020.

At its session on 18 August 2020, the Supervisory Board appointed Andrej Andoljšek its Chairman and Milan Tomaževič its Vice Chairman.

In accordance with the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., a fit and proper periodic assessment was carried out in November 2020 for all Management and Supervisory Board members, excluding Igor Stebernak. Due to his reappointment as a Supervisory Board member, he was assessed in accordance with

the prescribed procedure before the appointment of supervisory body members. All individual members and the Supervisory Board as a collective body were assessed as fit and proper.

3.3.1. Powers of the supervisory Board

The powers and operation of the Supervisory board are set out in the applicable legislation, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board (available at www.triglav.eu). Besides the powers specified in the Companies Act and the Insurance Act, the Supervisory Board has the power to give consent to the decisions of the Management Board where the value or an investment exceeds the amount set out in the Rules of Procedure of the Supervisory Board, i.e., in the event of:

- the founding of limited companies in Slovenia and abroad;
- the acquisition or sale of Zavarovalnica Triglav's participating interests in domestic or foreign companies, except in the case of participating interests for which the conventional portfolio management approach is used;
- the issue of debt securities and long-term borrowing from domestic or foreign banks;
- the acquisition and sale of real property and investment in real property of Zavarovalnica Triglav.

In accordance with the law and the Rules of Procedure, the Supervisory Board holds at least one session per quarter, or more if necessary.

3.3.2. Supervisory Board in 2020

Composition of the Supervisory Board in 2020

First and last name	Function	Start of term of office (the first)	End of term of office	Attendance of sessions of the Supervisory Board / total number of Supervisory Board sessions	Gender	Nationality	Year of birth	Education	Professional profile	Independence pursuant to Article 23 of the Corporate Governance Code	Existence of conflict of interest in 2020	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board in 2020	Membership in Supervisory Board committees	Function in Supervisory Board committees	Attendance of meetings of Supervisory Board committees / total number of meetings of Supervisory Board committees
Andrej Andoljšek	Member	13 June 2017	13 June 2021	9 of 9	Male	Slovenian	1970	BSc in Economics	Financial and general management, financial markets and analyses, banking, corporate governance, business and financial restructuring of companies	YES	NO	/	Strategy Committee	Member	3 of 3
	Vice Chairman	21 June 2017	13 June 2021										Nomination Committee	Chairman	12 of 12
	Chairman	18 August 2020	13 June 2021												
Milan Tomaževič (former President of the Management Board of Zavarovalnica Triglav d.d.)	Member	13 June 2017	13 June 2021	9 of 9	Male	Slovenian	1946	BSc in Economics	Insurance and reinsurance, informatics, management and actuarial science	YES	NO	/	Strategy Committee	Chairman	3 of 3
	Vice Chairman	18 August 2020	13 June 2021												
Igor Stebernak	Chairman	18 August 2016	2 June 2020	9 of 9	Male	Slovenian	1968	BSc in Electrical Engineering, MBA	Banking, insurance, strategic management, financial markets and analyses, controlling, accounting and business process reengineering	YES	NO	/	Appointment and Remuneration Committee	Chairman	7 of 8
	Member	3 June 2020	3 June 2024										Nomination Committee	Chairman	5 of 12
													Audit Committee	Member	1 of 5
Žiga Škerjanec	Member	13 June 2017	13 June 2021	9 of 9	Male	Slovenian	1978	LL.B.	Corporate law and finance and the operation of supervisory boards	YES	NO	/	Strategy Committee	Member	3 of 3
													Appointment and Remuneration Committee	Member	8 of 8
													Nomination Committee	Member	12 of 12
Nataša Damjanovič	Member	13 June 2017	18 September 2020	6 of 9	Female	Slovenian	1965	Bachelor of Economics	Financial markets and analyses, banking, marketing and strategic management	YES	NO	/	Audit Committee	Member	3 of 5
													Appointment and Remuneration Committee	Member	5 of 8
Mario Gobbo	Member	12 June 2013	13 June 2021	9 of 9	Male	Italian	1953	PhD in Economics	Banking, financial management, financial markets and analyses, investment banking, investment, restructuring, acquisition of financial assets and privatisation	YES	NO	/	Audit Committee	Chairman	5 of 5
Peter Celar	Member	29 May 2007	31 May 2019	9 of 9	Male	Slovenian	1958	Bachelor of Economics	Insurance	NO	NO	/	Appointment and	Member	8 of 8

First and last name	Function	Start of term of office (the first)	End of term of office	Attendance of sessions of the Supervisory Board / total number of Supervisory Board sessions	Gender	Nationality	Year of birth	Education	Professional profile	Independence pursuant to Article 23 of the Corporate Governance Code	Existence of conflict of interest in 2020	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board in 2020	Membership in Supervisory Board committees	Function in Supervisory Board committees	Attendance of meetings of Supervisory Board committees / total number of meetings of Supervisory Board committees
		1 June 2019	2 June 2023										Remuneration Committee		
													Nomination Committee	Member	12 of 12
Branko Gorjan	Member	14 March 1995	30 May 2015	9 of 9	Male	Slovenian	1960	Economic technician	Insurance	NO	NO	/	Strategy Committee	Member	3 of 3
		1 June 2019	1 June 2023												
Igor Zupan	Member	27 September 2019	1 June 2023	9 of 9	Male	Slovenian	1972	Bachelor of Administrative Organisation – IT Specialist	Insurance	YES	NO	Lovčen životna osiguranja a.d., until 16 February 2020	Audit Committee	Member	5 of 5

External members of Supervisory Board committees in 2020

First and last name	Supervisory Board committee	Attendance of meetings of Supervisory Board committees / total number of committee meetings	Gender	Nationality	Education	Year of birth	Professional profile	Membership in the supervisory bodies of other companies while serving on a Supervisory Board committee in 2020
Simon Kolenc	Audit Committee	5 of 5	Male	Slovenian	BSc in Economics	1977	Finance, accounting, audit	/
Boštjan Koler	Nomination Committee	12 of 12	Male	Slovenian	LL.B.	1961	Law	/

By signing the Statement of Independence and Loyalty (www.triglav.eu), the members of the Supervisory Board undertook to adhere to the principles of independence laid down in item B of the Annex to the Corporate Governance Code.

Data on the remuneration of the Supervisory Board members are disclosed in Section 5.6 of the Accounting Report. Remuneration of the Supervisory Board members was in line with the resolution passed by the 41st General Meeting of Shareholders of Zavarovalnica Triglav.

Composition and remuneration of the Supervisory Board members and committees in 2020 (EUR)

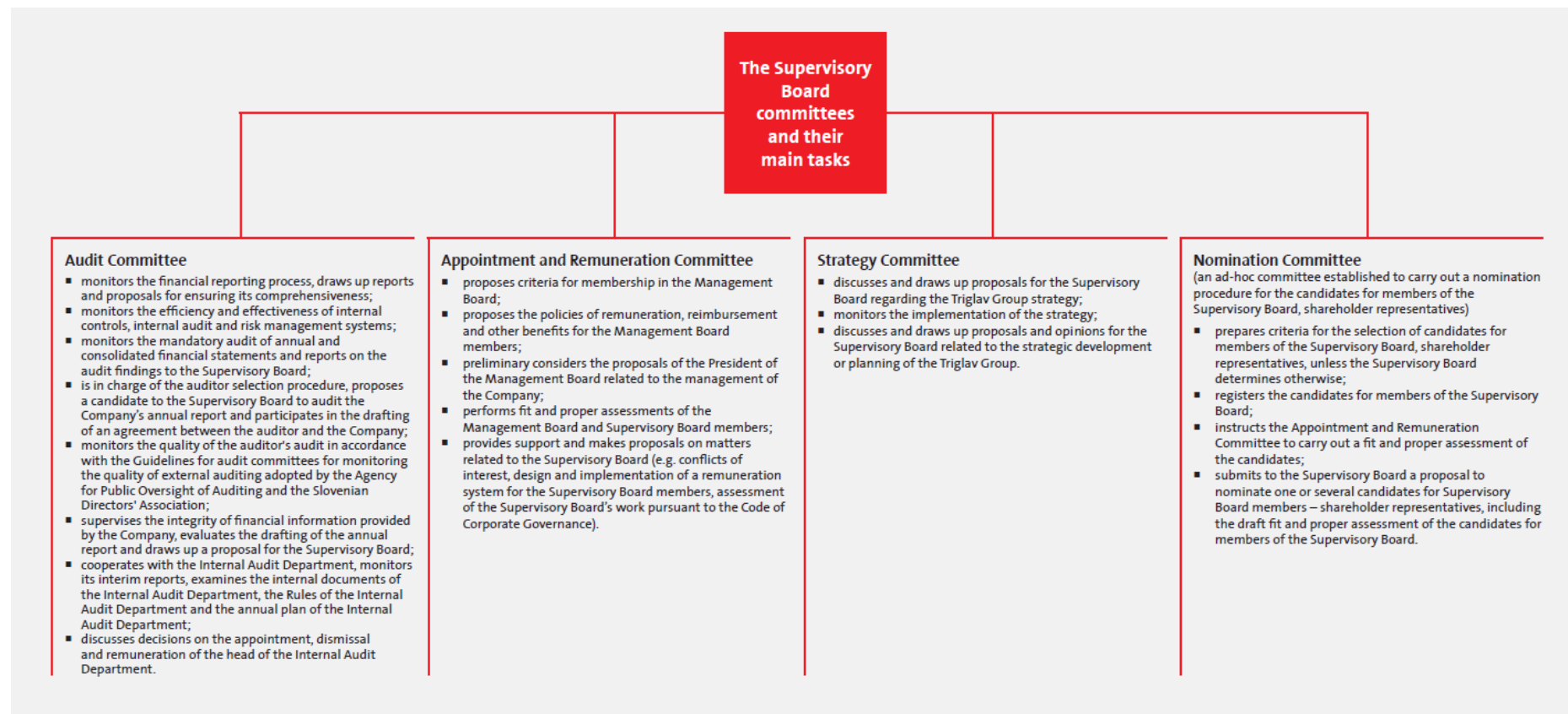
Name and surname	Function	Remuneration for performing the function – gross per year (1)	Attendance fees for SB sessions and committee meetings – gross per year (2)	Total gross (1+2)	Total net*	Gross travel expenses	Net travel expenses*
Andrej Andoljšek	Chairman	25,166	5,368	30,534	22,208	0	0
Milan Tomaževič	Vice Chairman	20,202	2,794	22,996	16,725	0	0
Igor Stebernak	Member	21,787	5,874	27,661	20,118	0	0
Žiga Škerjanec	Member	21,431	7,942	29,373	21,363	0	0
Mario Gobbo	Member	19,645	3,234	22,879	15,072	12,550	8,268
Nataša Damjanovič	Member	15,056	3,124	18,180	13,223	0	0
Peter Celar	Member	20,254	7,348	27,602	20,075	487	355
Branko Gorjan	Member	17,859	2,794	20,653	15,021	0	0
Igor Zupan	Member	17,859	3,234	21,093	15,341	0	0
Simon Kolenc	External committee member	7,144	1,293	8,437	6,136	59	43
Boštjan Koler	External committee member	3,031	3,454	6,485	4,716	0	0
Total		189,434	46,459	235,893	169,998	13,096	8,666

* The amount paid to an individual's account as the payment after deducting the income tax prepayment, which does not take into account any subsequent payments of an individual's personal income tax.

3.3.3. Composition of Supervisory Board committees and their activities in 2020

In 2020, the Company had the following committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee as an ad-hoc committee. Supervisory Board committees prepare draft resolutions for the Supervisory Board, assure their implementation and carry out other tasks.

The duties and powers of the committees are set out in the Companies Act, the Rules of Procedure of the Supervisory Board, Supervisory Board resolutions and the rules of procedure of individual committees. The main committees are presented in the diagram below.



In 2020, the **Audit Committee** was composed of Dr Mario Gobbo as chair and Nataša Damjanovič (until 18 September 2020), Igor Stebernak (from 19 September 2020), Igor Zupan and Simon Kolenc, an independent external expert, as members.

The **Appointment and Remuneration Committee** had the following composition: Igor Stebernak as chair (until 2 June 2020 and from 18 August 2020) and Nataša Damjanovič (until 18 September 2020), Žiga Škerjanec and Peter Celar as members.

The **Strategy Committee** was composed of Milan Tomažević as chair and Andrej Andoljšek, Žiga Škerjanec and Branko Gorjan as members.

The **Nomination Committee** as an ad-hoc committee was established by the Supervisory Board after the resignation of the Supervisory Board member Nataša Damjanovič became effective (she submitted her resignation letter on 18 June 2020 and her term of office ended on 18 September 2020). The five-member Nomination Committee was established on 25 September 2020 for the period to the appointment of a new Supervisory Board member but not later than 1 January 2021. The committee was composed of Igor Stebernak as chair, Žiga Škerjanec, Andrej Andoljšek and Peter Celar as members, and Boštjan Koler as the external member.

Since the four-year term of office of the Supervisory Board members Žiga Škerjanec, Andrej Andoljšek, Dr Mario Gobbo and Milan Tomažević will expire on 13 June 2021, on 12 November 2020 the Supervisory Board established a four-member Nomination Committee for the period to the appointment of Supervisory Board members – shareholder representatives but not later than 25 May 2021. The committee is composed of Igor Stebernak as chair, Žiga Škerjanec and Peter Celar as members, and Boštjan Koler as the external member.

4. Governance and management of subsidiaries

The Triglav Group is comprised of Zavarovalnica Triglav as the controlling company and its subsidiaries and associates. The subsidiaries operate as independent legal entities in accordance with the applicable legislation, resolutions passed by the general meetings and the management and supervisory bodies of subsidiaries, business cooperation agreements (if any) and other adopted internal documents implemented by individual subsidiaries.

The Governance Policy of the Triglav Group's Subsidiaries is the basis for the establishment and implementation a robust and reliable governance system. The policy is designed to establish an internally consistent governance system of the Group by standardising and harmonising the rules and procedures in individual business segments within Zavarovalnica Triglav's subsidiaries. The main objective of the Group's governance system is to implement uniform minimum standards for core business activities, reporting and supervision at Group level. The Governance Policy takes into account both the Group's internal environment and its strategic objectives as well as external environment factors, including the local regulatory environment and the regulators' requirements, the business environment of each subsidiary and good business practices.

Corporate governance is used to govern the Group's subsidiaries by actively exercising the management rights in compliance with the law applicable to individual subsidiaries, taking into account their internal regulations. Corporate governance includes business management with mechanisms for effective business supervision and cooperation in all business segments, harmonisation of business standards and mutual information of the Group's subsidiaries. This approach also comprises business and professional coordination of activities within the Group, as well as holding various training courses with an aim to unify business processes, coordinate

key functions and transfer know-how, corporate culture and good business practices at Group level.

Zavarovalnica Triglav as the controlling company actively manages its direct subsidiaries in accordance with the Governance Policy of the Triglav Group's Subsidiaries. Direct subsidiaries assume responsibility for the transfer of the governance system and active management of their subsidiaries. The detailed methods of transferring the system and implementing the activities are defined in the minimum standards for individual business segments.

Based on previous experience in achieving strategic objectives, it was estimated that the governance system of the Group's subsidiaries functioned appropriately even during the pandemic in 2020.

The governance and management of subsidiaries follows the key guidelines and objectives of the strategy of the Triglav Group, as described in Section 4. *Strategy and plans of the Triglav Group*. The pursuit of the Group's values is an ongoing process in all subsidiaries and the key guideline in their governance, with a special emphasis on long-term effort to increase the value of the Group's assets. All of the above was implemented with great engagement in 2020. A responsive and effective subsidiary governance system continued to ensure ongoing monitoring of the business environment, the operations of subsidiaries and the implementation of the outlined strategy. Furthermore, identification of business opportunities and challenges both in the local and wider environment was encouraged to achieve the optimal development of individual subsidiaries and the whole Group.

With a unified approach and a higher level of integration of subsidiaries into the system, the Company achieved a tighter connection of the subsidiaries' business functions with the Company's business segments, which proved to be effective even in the unpredictable pandemic-related situation.

The composition of governance and management bodies as at 31 December 2020

Subsidiary	Management	Supervisory function
Slovenia		
Pozavarovalnica Triglav Re d.d., Ljubljana	Gregor Stražar – President, Tomaž Rotar – Member, Stanislav Vrtunski – Member	Supervisory Board: Andrej Slapar – Chairman, Tomaž Žust, Sebastjan Debevc, Janko Šemrov
Triglav, Zdravstvena zavarovalnica d.d., Koper	Meta Berk Skok – President, Simon Vidmar – Member	Supervisory Board: Uroš Ivanc – Chairman, Nataša Veselinovič, Tomaž Krevatin
Triglav, pokojninska družba d.d., Ljubljana	Aljoša Uršič – President, Peter Krassnig – Member, Vida Šeme Hočevar – Member	Supervisory Board: Barbara Smolnikar – Chairwoman Nataša Veselinovič, Miha Grilec, Jaka Kirn, Miran Kalčič, Vesna Vodopivec, Borut Simonič, Tomaž Jontes
Triglav Skladi, družba za upravljanje d.o.o., Ljubljana	Benjamin Jošar – President, Andrej Petek – Member, Miha Grilec – Member	Supervisory Board: David Benedek – Chairman, Blaž Kmetec, Meta Berk Skok, Nataša Veselinovič, Matej Runjak
Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale	Edvard Kranjčič – Director,	Supervisory Board: Jasna Kajtazović – Chairwoman, Jana Polda, Matjaž Novak, Lidija Breznik
Triglav INT, holdinška družba d.d.,	Tedo Djekanovič – Executive Director	Management Board:

Subsidiary	Management	Supervisory function
Ljubljana		David Benedek – Chairman, Tedo Djekanović, Saša Kovačič
Triglav Avtoservis d.o.o., Ljubljana	Edvard Zabukovnik – Director, Boris Kuhelj – Director	Supervisory Board: Matej Ferlan – Chairman, Nataša Novak Priveršek, Aleš Klement, Lidija Breznik
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	Mitja Selan – President	Supervisory Board: David Benedek – Chairman, Ksenija Zajc, Nataša Novak Priveršek
Croatia		
Triglav Osiguranje d.d., Zagreb	Marin Matijaca – President, Denis Burmaz – Member	Supervisory Board: David Benedek – Chairman, Tomaž Žust, Gorazd Jenko, Darko Popovski, Nives Matijević
Triglav Savjetovanje d.o.o., Zagreb	Dragica Dalić – Director	
Serbia		
Triglav Osiguranje a.d.o., Beograd	Dragan Marković – Managing Director, Blaž Jakič – Member of the Executive Committee	Supervisory Board: Tedo Djekanović – Chairman, Radenko Purić, Vuk Šušić, Gorazd Jenko, Fejsal Hrustanović
Triglav Savetovanje d.o.o., Beograd	Dušan Dujmić – Director	
Montenegro		
Lovćen Osiguranje a.d., Podgorica	Matjaž Božič – Executive Director	Board of Directors: Tedo Djekanović – Chairman, Tomaž Žust, Darko Popovski
Lovćen životna osiguranja a.d., Podgorica	Zorka Milić – Executive Director	Board of Directors: Janez Rožmarin – President, Slobodanka Vukadinović, Edvard Kranjčič
Bosnia and Herzegovina		
Triglav Osiguranje d.d., Sarajevo	Edib Galijatović – Chairman, Edin Muftić – Member	Supervisory Board: Tedo Djekanović – Chairman, Janko Šemrov, Matej Gostiša, Uroš Cvetko, Aleš Levstek
Triglav Osiguranje a.d., Banja Luka	Darko Popovski – Director, Dejan Vujičić – Member of the Executive Committee, Sanja Štrkić – Member of the Executive Committee	Management Board: Blaž Jakič – President, Iztok Šekoranja, Draško Milinović
Triglav Savjetovanje d.o.o., Sarajevo	Zlatko Hadžić – Director	
North Macedonia		
Triglav Osiguruvanje a.d., Skopje	Gjorgje Vojnović – Chief Executive Officer, Rok Pivk – Executive Director	Board of Directors: Tedo Djekanović – Chairman, Darko Popovski, Matej Ferlan, Blaž Kmetec, Gjorge Vojnović, Rok Pivk, Gjorgji Jančevski
Triglav Osiguruvanje Život a.d., Skopje	Vilma Učeta Duzlevska – Chief Executive Director	Board of Directors: Tedo Djekanović – Chairman, Ivan Sotošek, Vilma Učeta Duzlevska, Gjorgji Jančevski, Jasna kajtazović
Triglav penzisko društvo a.d., Skopje	Vojdan Jordanov – President Marijan Nikolovski – Member	Supervisory Board: Aljoša Uršič – President, Darko Popovski, Blaž Kmetec, Miroslav Vujić

5. External and internal audit

On 28 May 2019, the General Meeting of Shareholders appointed the audit firm Deloitte revizija d.o.o. the auditor of Zavarovalnica Triglav for the 2019, 2020 and 2021 financial years.

The report on the work of the Internal Audit Department is included in Section *1.1 Risk management*.

6. Internal controls and risk management in relation to financial reporting

The effective and integrated internal control and risk management system established within the Group is promptly adapted to the development, organisational changes and good practices. The system exceeds the basic statutory requirements for insurance undertakings set out in the Companies Act and the Insurance Act, as well as special implementing regulations of the Insurance Supervision Agency on the establishment and maintenance of a suitable internal control and risk management system.

The characteristics and operation of the risk management system is discussed in detail in the first section of *Risk management*. The internal control system was set up in all organisational levels, units and processes of the Triglav Group and includes:

- a clear organisational structure with a precisely defined and transparent system of duties and powers;
- efficient procedures for an ongoing control, error prevention, and identification, assessment, management and monitoring of risks to which the insurance undertakings are or may be exposed in the course of their operations;
- an adequate internal control system that includes appropriate administrative and accounting procedures (reporting, working procedures, risk exposure limits and physical controls);
- ensuring compliance with the applicable regulatory requirements.

The Internal Audit Department is an independent organisational unit, set up in compliance with the law. It regularly reviews the effectiveness of the internal control and risk management system and offers upgrade proposals as well as reports to the Management Board, the Audit Committee and the Supervisory Board.

Internal controls are guidelines and procedures established by Zavarovalnica Triglav as the parent company of the Group and implemented at all levels. Their purpose is not only to manage the risks relating to financial reporting, but also to ensure reliability of financial reporting and compliance with the applicable laws and other external and internal regulations.

Accounting controls are based on the principles of truthfulness and an appropriate sharing of responsibilities, checking the performance of transactions, keeping of up-to-date records, compliance of books of account with the actual situation, separation of the records from the execution of transactions, professionalism of accountants and their independence. Accounting controls are closely linked to IT controls, which, inter alia, restrict and control access to the data and applications and ensure completeness and accuracy of data capturing and processing.

7. Notes on the takeover legislation

Zavarovalnica Triglav is subject to the Takeover Act (hereinafter: ZPre-1).

The share capital structure of Zavarovalnica Triglav, the rights and obligations attached to the shares, the restriction on transfer of shares and the absence of shares that would grant their holders special control rights are described in detail in Section 6. *The share and shareholders of Zavarovalnica Triglav.*

8. Disclosure of existence of any agreements or authorisations regarding shares or voting rights

Zavarovalnica Triglav is not aware of any shareholder agreements that could cause a restriction on the transfer of shares or voting rights.

The Management Board of Zavarovalnica Triglav is not authorised by the General Meeting of Shareholders to buy its own shares. The Management Board's authorisation to increase the share capital is described in Section 5.3.2.1. The issue of new shares, the amount of capital increase, the rights attached to new shares and the conditions for issuing new shares are decided on by the Company's Management Board with the consent of the Supervisory Board.

Zavarovalnica Triglav has no employee share scheme.

The Company is not aware of any agreements that would become effective, change or expire on the basis of a changed control of the Company or as a consequence of a takeover bid as defined by the ZPre-1.

Zavarovalnica Triglav has not entered into any agreements with the members of its management or supervisory bodies or employees which would provide for remuneration if a takeover bid in line with the Zpre-1 caused them to resign, be dismissed without justified grounds, or caused their employment to be terminated in some other manner.

Andrej Slapar
President of the Management Board

Uroš Ivanc
Member of the Management Board

Tadej Čoroli
Member of the Management Board

Barbara Smolnikar
Member of the Management Board

David Benedek
Member of the Management Board

Marica Makoter
Member of the Management Board