

In this statement for 2022, Zavarovalnica Triglav d.d. took a position on the Corporate Governance Code for Companies with Capital Assets of the State, adopted in June 2022, and the Recommendations and Expectations of the Slovenian Sovereign Holding, adopted in June 2022 and published by Slovenski državni holding d.d., which are both available at [www.sdh.si](http://www.sdh.si).

Zavarovalnica Triglav d.d. justifiably deviates from the following provisions of the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding:

1. Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the Code)
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The Slovenian Corporate Governance Code, which Zavarovalnica Triglav d.d., as a public limited company listed on the Ljubljana Stock Exchange Prime Market, is required to apply to its operations, to the greatest extent possible, in accordance with the Stock Exchange rules and the Recommendations to Public Limited Companies for Information, also *mutatis mutandis* includes the provisions of the Code in terms of content. Notwithstanding the above, Zavarovalnica Triglav d.d., takes a position on the provisions of the Code in this statement.

- Point 3.6.3

Zavarovalnica Triglav, d.d., partially deviates from the Code. Zavarovalnica Triglav, d.d., has adopted a Diversity Policy, the aim of which is to ensure complementarity and diversity in the Management Board and the Supervisory Board by taking into account the various qualifications, experience, and knowledge defined in the Policy on assessment of competence and suitability of Management and Supervisory Board Members of Zavarovalnica Triglav, d.d., who enable prudent and careful management and control of the company and thereby realising strategic goals and ensuring long-term values for all key stakeholders; representation of both sexes and representation of different age groups. It is worth clarifying that when appointing, we must primarily take into account the strict rules of legislation and the regulator regarding the qualifications and suitability of candidates for members of the Management Board and the Supervisory Board. In any case, when appointing members, we actively strive for the greatest possible degree of diversity, namely in such a way that, in addition to the conditions that candidates must meet in terms of qualifications and suitability, the tender conditions also specify which candidates will have priority in terms of diversity (e.g. diversity in terms of gender, age, nationality, etc.).

- Point 4.2.4

Zavarovalnica Triglav d.d. partially deviates from the Code. Zavarovalnica Triglav d.d. is a public limited company and its communication with shareholders or notification is defined by the legislation prescribed for European listed companies, the standards of the Ljubljana Stock Exchange

Prime Market, and internal acts. At the same time, it follows good international and own practice of investor relations.

- Point 6.5.1

Zavarovalnica Triglav d.d. has no competency profiles published on its website, but has adopted the Fit and Proper Policy for the management and supervisory body members of Zavarovalnica Triglav d.d. and the Diversity Policy. The Supervisory Board regularly provides for a fit and proper assessment of individual members of the Supervisory Board as well as the composition of the Supervisory Board as a whole, taking into account the competency profiles of individual members and the body as a whole.

- Point 6.7

Two members of the Supervisory Board, both employee representatives, are not independent as they have served on the Supervisory Board for more than three terms.

- Point 8.3

Zavarovalnica Triglav d.d. partially deviates from the Code, as it does not disclose the remuneration and other rights of individual members of the management and supervisory bodies for all Group companies, but only for the controlling company; however, individual subsidiaries disclose remuneration and other rights in their annual report.

2. Recommendations and expectations of the Slovenian Sovereign Holding
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- Recommendation 1: Three-year business planning of the company/group/subsidiaries in a group

1.1

Zavarovalnica Triglav d.d. deviates from the recommendation regarding the submission of draft business plans and partially deviates from the recommendation regarding the submission of the final version of the adopted business plan. Zavarovalnica Triglav d.d., as a public limited company listed on the Ljubljana Stock Exchange Prime Market, is required to inform in accordance with the applicable legislation and recommendations of the Stock Exchange and in this context to treat all its shareholders equally. In accordance with recommendation 1.9, the Company treats the entire content of the draft and adopted business plan as a business secret, does not disclose them to the Slovenian Sovereign Holding and transparently publishes a summary of the Triglav Group's business plan for the coming year and a summary of the Triglav Group's strategy.

1.2

Zavarovalnica Triglav d.d. partially deviates from recommendation 1.2 regarding the development and submission of the draft and adopted business plan to the Slovenian Sovereign Holding. As already explained in the deviation from recommendation 1.1, Zavarovalnica Triglav d.d. does not submit to the Slovenian Sovereign Holding the draft business plan of the parent company or the Triglav Group or selected subsidiaries in the Triglav Group.

1.3

Zavarovalnica Triglav d.d. partially deviates from recommendation 1.3 regarding the submission of the draft business plan to the Slovenian Sovereign Holding, as explained in more detail in the deviation from recommendations 1.1 and 1.2.

1.4

In accordance with recommendation 1.9 and as explained in the deviation from recommendation 1.1, Zavarovalnica Triglav d.d. deviates from the period of the plan and the deadline for its submission to the Slovenian Sovereign Holding. The publicly announced summary of the business plan for the coming year and the strategy of the Triglav Group contains data for the annual period, i.e. for the coming year and for the strategy period. Zavarovalnica Triglav d.d. discloses its business plan in accordance with the domestic legislation, EU legislation and established domestic and international practice of public companies.

1.5

Zavarovalnica Triglav d.d. partially deviates from recommendation 1.5 regarding the submission of the entire business plan to the Slovenian Sovereign Holding. As already explained in the deviation from recommendation 1.1, the Company informs the Slovenian Sovereign Holding of the summary of the Triglav Group's business plan in the content as disclosed to the public.

1.6

Zavarovalnica Triglav d.d. partially deviates from recommendation 1.6 regarding the content of informing the Slovenian Sovereign Holding. As explained in the deviation from recommendation 1.1, the Company submits to the Slovenian Sovereign Holding information to the extent it has been disclosed to the public.

1.7

Zavarovalnica Triglav d.d. deviates from recommendation 1.7, which recommends the content of the draft business plan. As already explained in the deviation from recommendations 1.1 and 1.3, the Company does not inform the Slovenian Sovereign Holding of the content of the draft business plan.

1.8

In accordance with recommendation 1.9 and as explained in the deviation from recommendation 1.1, Zavarovalnica Triglav d.d. partially deviates from recommendation 1.8 regarding the scope of disclosures in the publicly announced summary of the business plan of the Triglav Group for the coming year. It contains a description of the expected business conditions of the Triglav Group and certain key financial data of the Triglav Group.

- Recommendation 2: Periodic reporting on performance of company/group/subsidiaries in a group

2.1

Zavarovalnica Triglav d.d. deviates from the recommendation regarding monthly periodic performance reports. In accordance with domestic legislation, EU legislation and established domestic and international practice of public companies, the Company publishes annual and half-yearly performance information on the parent company and the Triglav Group for the first three and nine months of the year.

## 2.4

Zavarovalnica Triglav d.d. publishes business reports for both the parent company and the Group at the same time, and the publication dates are announced in the Company's previously publicly announced financial calendar. After the publication of each report, it additionally submits the required data to the Slovenian Sovereign Holding within the framework of the publicly announced report.

- Recommendation 3: The transparency of operations as regards the conclusion of transactions which affect the company's expenses (commissioning of goods and services, donations and sponsorship)  
With regard to sponsorship and donations, the total scope of which is determined in the Company's annual plan, the Company has introduced a comprehensive process for managing the roles of potential partnerships, based on which tenders are published on the website. The content on the website is promptly updated.

Public announcements are made in compliance with the Public Information Access Act. The value of other transactions is not publicly disclosed because said data, based on internal documents, contractual provisions and applicable legislation, are considered a business secret of the Company, and such disclosure would also mean a potential deterioration of the Company's competitive position.

- Recommendation 4: Cost optimisation  
Zavarovalnica Triglav d.d. does not deviate significantly from the recommendation. The Company takes the necessary measures to optimise labour costs. When paying holiday pay, the collective agreement for the corporate sector is taken into account. The amount of extraordinary payments to employees is determined by taking into account the achieved business results.

We do not publish any data on planned extraordinary payments, on the realisation of these payments and legal bases for the payment and methodologies for setting the amount of the intended payment to individual employees. The legal bases and the methodology for setting the amount of an individual payment are defined as a business secret.

Even the collective agreement at the lowest level (i.e. at the company level) or agreements with employee representatives relating to remuneration for work are defined in Zavarovalnica Triglav d.d. as a business secret, which means that they contain undisclosed business information. The collective agreement is the result of negotiations and coordination between trade unions, as the party representing employees, and the employer, while the Company usually regulates any issues in its collective agreement more favourably than the respective sectoral collective agreement, taking into account own ability and own business environment; thus, Zavarovalnica Triglav d.d. protects any such agreements as a business secret.

- Recommendation 5: Quality and excellence in operation of company/group  
Zavarovalnica Triglav d.d. conducted the most recent, third self-assessment according to the European EFQM excellence model in 2017. In preparing the documentation for the third self-assessment, emphasis was placed on the matrices of approaches and indicators and their connection with the current strategy. In doing so, some identified opportunities were meaningfully included in

projects, goals of business functions or strategic matrices of individual business functions or integrated into the implementation of processes. The self-assessment showed that Zavarovalnica Triglav d.d. is an organisation with appropriately regulated business processes, which monitors and achieves good results in terms of business success, clients, employees and the entire company.

- Recommendation 7: Sustainable business

7.1

Zavarovalnica Triglav d.d. partially deviates from the recommendation. The Company identifies impacts globally through the United Nations Sustainable Development Goals methodology and on the basis of the GRI reporting standard in the annual report, through reporting on the impacts of climate change at the international non-profit organisation CPD, and through the internal methodology within risk management. At the end of 2021, it has adopted the Triglav Group's Commitment of strategic ambitions in the field of sustainable development (ESG), with certain monitoring mechanisms still in the process of being established as some legislative frameworks are still being adopted. In March 2021, we published on the website the Sustainability Aspect of the Investment Policy and the methodology of integrating sustainability risks into the investment process, as well as the Sustainability Aspect of the Remuneration Policy of Zavarovalnica Triglav d.d. Since 2021, we have measured the CO<sub>2</sub> footprint according to Range 1, 2 and 3 with an internal methodology that is compliant with the international GHG protocol.

7.10

Zavarovalnica Triglav d.d. partially deviates from the recommendation. The Company already partially takes into account the sustainable business aspects with regard to products development, investment management, procurement processes and by supporting certain sustainability projects.

- Recommendation 9: Remuneration policy of management bodies

Zavarovalnica Triglav, d.d., partially deviates from the recommendation, namely for the reason of legally valid legislation and positions that primarily bind insurance companies (Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance activities (so-called Solvency II Directive), amended with Directive 2012/23/EU and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (ESG Regulation), EIOPE views dated 31.1.2020, ZZavar-1, ZGD-1, ZDR, ZPPOGD, ZSDH-1, etc.).

In the following, Zavarovalnica Triglav, d.d., provides a summary of the partial deviations of the currently valid Remuneration Policy of Zavarovalnica Triglav, d.d., from the recommendation.

#### Part 1: RECOMMENDATIONS FOR DEVELOPING REMUNERATION POLICIES OF MANAGEMENT BODIES AND REGULATING REMUNERATION IN CONTRACTS WITH MEMBERS OF MANAGEMENT BODIES

All members of the Management Board have the same remuneration specified in their employment contracts, the Chairman of the Management Board slightly higher. The Remuneration Policy does not stipulate that the Supervisory Board periodically checks the adequacy and implementation of the remuneration policy, but at least every four years, when it is resubmitted to the General Assembly for approval, familiarisation or acceptance, however, periodic reviews of the compliance of this policy with the strategy, system and management policy of Zavarovalnica Triglav, d.d., other policies, legal and by-

laws and internal acts are specified, namely by the Department for Employee Management, the Business Compliance Department and the Legal Office, which report the findings to the Management Board. The Remuneration Policy of management bodies does not contain rules regarding the determination of other rights of members of management bodies, and we clarify that, according to the provisions of the ZPPOGD, the rules are adopted by the Supervisory Board and not by the General Assembly.

The basic part of the remuneration of a Management Board member is determined in the employment contract in the absolute amount for the year of the conclusion of the contract, and it is also stipulated that the amount of the basic salary is adjusted annually by taking into account 95% of five times the average salary paid in the companies of the Triglav Group, which are based in the territory of the Republic of Slovenia, in the preceding business year, namely by March 31 of each year at the latest. The Remuneration Policy specifies the upper limit of the basic salary based on the currently valid ZPPOGD (5 times the average gross salary in the previous financial year, paid in the companies of the Triglav Group, which are based in the territory of the Republic of Slovenia and were consolidated in the annual report in accordance with the Companies Act), but not according to the complexity of the company's operations, as specified in the recommendations.

The variable part of the remuneration does not directly depend on the achievement of long-term goals (in accordance with the methodology, the variable part is determined based on annual results). The relationship between the part of the variable remuneration that rewards long-term performance and that part of it that rewards short-term performance is not determined, because according to the current methodology, rewarding for the long-term performance of the company is not explicitly foreseen, but the quotients that are monitored affect the long-term performance of the company. The Remuneration Policy does not contain a system of criteria by classifying them into content sets separated into financial and non-financial. The criteria are not selected and adjusted for each member of the management body. The company does not envisage the conditional allocation of a variable part of the remuneration, nor is there a bonus-malus system in place. According to the provisions of the ZPPOGD, the variable part of the remuneration is limited to a maximum of 30% of the basic salaries paid annually.

## Part 2: RECOMMENDATIONS FOR THE ADOPTION OF RULES ON OTHER RIGHTS OF MEMBERS OF MANAGEMENT BODIES

All members of the Management Board have the same other rights specified in the rules, the upper limit of the value of a company vehicle for work and private purposes is set slightly higher only for the Chairman of the Management Board.

Regarding the right to reimbursement of membership fees in professional organizations related to the performance of a management member function the employment contract of a member of the Management Board stipulates that they are entitled to the coverage of costs of membership fees for various associations and professional organizations related to the performance of their function in a higher value than stipulated in the recommendations. Despite the limit stated in the employment contract, which is higher than specified in the recommendations, Zavarovalnica Triglav, d.d., does not actually cover costs higher than EUR 1,500 per year for the payment of membership fees on an annual basis to a member of the Management Board.

Regarding the right to severance pay upon retirement, members of the Management Board have the

right to severance pay according to the employment contract, which is determined in a higher value than stipulated in the recommendations. When deciding on entitlement to the payment of severance pay upon retirement, it is necessary to proceed from the fact that a member of the Management Board is, among other things, also an employee (who has an employment relationship with the employer). Pursuant to Article 9 of ZDR-1 (Employment Relationships Act 1), the employer and the employee are obliged to observe the provisions of ZDR-1 and other laws, ratified and published international agreements, other regulations, collective agreements and general acts of the employer when concluding and terminating an employment contract and during the employment relationship. Considering the fact that if following the recommendations, when determining severance pay upon retirement, a member of the Management Board would be treated less favourable than determined by the employer's internal documents, a different, less favourable definition of retirement severance pay in the employment contract of a member of the Management Board would be considered as an infringement of labour law. We further clarify that in the past we have not paid severance pay to any member of the Management Board upon retirement.

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