

Unofficial translation  
from Slovenian original  
by Sava Re

*[coat-of-arms of the Republic of Slovenia]*

**NOTARY MIRO KOŠAK**

Trg republike 3, 1000 Ljubljana

Ref. No. SV 1224/11

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**NOTARIAL CONFIRMATION**

I, Notary Miro Košak from Ljubljana, Trg republike 3 (three), 1000 (one thousand) Ljubljana, hereby confirm that the amendments to the provisions of the attached consolidated text of the Articles of Association of the company POZAVAROVANICA SAVA, d.d., Dunajska 56 (fifty-six), 1000 (one thousand) Ljubljana, with company identification number 5063825000 (five zero six three eight two five zero zero zero), are in line with the Resolution on amending the Company Articles of Association passed by the General Meeting of Shareholders in its meeting on 29 June 2011 (the twenty-ninth day of June two thousand and eleven).

The Resolution of the General Meeting on amending the Company Articles of Association was confirmed in the notary's minutes of Notary Public Miro Košak under reference number SV 1216/11 dated 29 June 2011 (the twenty-ninth day of June two thousand and eleven).

Done in Ljubljana, on 30 June 2011 (the thirtieth day of June two thousand and eleven)

*[official stamp]*  
**MIRO KOŠAK**  
NOTARY  
**LJUBLJANA**

Notary Miro Košak  
*[signature illegible]*

Pozavarovalnica Sava, d.d  
Ljubljana, Dunajska 56

***ARTICLES OF ASSOCIATION***  
***OF POZAVAROVALNICA SAVA, d.d.***

## **ARTICLES OF ASSOCIATION**

### **OF POZAVAROVALNICA SAVA, d.d.** (consolidated text)

#### **COMPANY NAMES AND REGISTERED OFFICES OF INCORPORATORS**

##### **Article 1**

The company names and registered offices of incorporators of Pozavarovalnica Sava, d.d. (hereinafter: the Company) are specified in the Appendix, which is an integral part of these Articles of Association.

#### **NAME AND REGISTERED OFFICE OF THE COMPANY**

##### **Article 2**

The company name of the Company shall be: Pozavarovalnica Sava, d.d.

The registered office of the Company shall be in Ljubljana.

The business address of the Company shall be: Dunajska cesta 56 (fifty-six), Ljubljana.

The abbreviated company name shall be: Sava Re d.d.

The company name of the Company in the English language shall be: Sava Reinsurance Company d.d.

When conducting its operations, the Company shall use, apart from the company name, the logo, whose description and use shall be laid down in a special act regulating the corporate design to be adopted by the Management Board of the Company.

#### **GOALS AND OBJECT OF THE COMPANY**

##### **Article 3**

The goal of the Company is the independent transaction of its business in the market including investing in other companies that transact insurance or reinsurance business, or other business related to insurance or reinsurance business, and companies offering other ancillary or financial services.

In compliance with the Standard Classification of Activities, the object of the Company shall be as follows:

65.200 sixty-five. two zero zero Reinsurance Operations

66.210 sixty-six. two one zero Risk and Claims Assessment

66.290 sixty-six. two nine zero Other ancillary activities for insurance and pension funds

## **SHARE CAPITAL AND SHARES**

### **Article 4**

The Company's share capital shall equal EUR 39.069.099,48 (thirty-nine million sixty-nine thousand and ninety-nine euros 48/100).

The share capital shall be divided into 9.362.519 (nine million three hundred and sixty-two thousand five hundred and nineteen) no-par-value shares.

The shares shall be ordinary registered shares.

The shares shall be issued as book-entry securities in compliance with the law.

Those persons entered in the central register kept by the Securities Clearing Corporation shall, in relation to the Company, be deemed shareholders.

### **Article 4a**

The Management Board is authorised to increase the share capital of the Company to a total amount of EUR 49.214.563,51 (forty-nine million two hundred and fourteen thousand and five hundred and sixty-three 51/100), with the consent from the Supervisory Board but without an additional resolution by the General Meeting of Shareholders, within a period of five years starting from the date of entry of this amendment to the Articles of Association into the Court Register; i.e. by no more than EUR 10.145.464,03 (ten million one hundred and forty-five thousand four hundred and sixty-four 03/100) (authorised capital) by issuing not more than 2.431.259 (two million four hundred and thirty-one thousand two hundred and fifty-nine) new shares. New shares shall carry rights and shall be issued under conditions and in a manner as decided by the Management Board while they must be ordinary shares and of the same class as existing shares and can only be issued against cash payments. The Management Board may, subject to consent by the Supervisory Board, decide that the existing shareholders may exercise their pre-emption rights as per Article 337/5 of the Slovenian Company's Act ZGD-1.

Pursuant to Article 329/1 of the ZGD-1, the General Meeting of Shareholders hereby authorises the Supervisory Board to, after increasing the capital pursuant to procedures set out in paragraph one of this Article, amend the Articles of Association of the Company due to the capital increase from authorised capital, i.e., to amend provisions of the Articles of Association relating to the amount of share capital, the number of shares and amount of authorised capital.

#### **Article 5**

The shares shall be freely transferable.

Shares are transferred to the account of the new shareholder by means of book-entry transfer in the central registry of book-entry securities in compliance with the law.

#### **Article 6**

When new shares are issued in relation to an increase in the share capital, existing shareholders shall have pre-emption rights pro-rata to their existing shareholding subject to all requirements by the law.

#### **Article 7**

The Company may set aside reserves for treasury shares.

### **GOVERNING BODIES OF THE COMPANY**

#### **Article 8**

The Company shall have the following governing bodies:

- the General Meeting of Shareholders,
- the Supervisory Board, and
- the Management Board.

#### **A. General Meeting of Shareholders**

#### **Article 9**

The Company's General Meeting of Shareholders shall be composed of the shareholders or, in case of legal entities, their legal representatives or proxies, who are entered in the central register kept by the Securities Clearing Corporation.

To attend the General Meeting and exercise voting rights, shareholders must send the Company a registration form no later than by the end of the fourth day prior to the session of the General Meeting and must be registered holders of shares listed in the central register of book-entry securities at the end of the fourth day prior to the session of the General Meeting.

#### **Article 10**

The General Meeting of Shareholders shall be quorate if shareholders representing no less than 15% (fifteen percent) of the share capital are in attendance.

The General Meeting of Shareholders shall decide on following issues:

- adoption of the annual report, unless approved by the Supervisory Board, or if the Management Board and Supervisory Board leave the decision on the adoption of the annual report to the General Meeting of Shareholders;
- appropriation of statement of financial position profit, at the proposal of the Management Board and on the basis of the report of the Supervisory Board;
- appointment and removal of Supervisory Board members;
- granting of discharge to the Management and Supervisory Board members;
- adoption of amendments to the Articles of Association;
- measures for the increase and decrease of share capital;
- dissolution of the Company and corporate status changes;
- appointment of the auditor, at the proposal of the Supervisory Board; and
- other matters in compliance with the law and these Articles of Association.

#### **Article 11**

Each ordinary share shall carry the following rights:

- one vote in General Meeting;
- a dividend out of the profit allocated to dividend payout; and
- a proportional portion of the remaining bankruptcy or liquidation estate in case of bankruptcy or liquidation, respectively.

General Meeting resolutions shall be adopted with a simple majority of votes cast, unless the law or the Company's Articles of Association provide for a qualified majority or other more stringent requirements.

#### **Article 12**

A shareholder may appoint a proxy using electronic media. A proxy form for exercising voting rights per proxy is available from the Company's website. A proxy appointment may be sent to the Company by e-mail (the address to be specified by the Company on each occasion) in the form of a scanned document attached to the e-mail; individuals must include a signature in manuscript; for legal entities, documents must include a

signature in manuscript of the legal representative with stamp of the legal entity, or seal if used. The Company has the right to request personal identification of shareholders (proxy givers) who have sent a proxy appointment by e-mail and to verify the authenticity of signatures.

### **Article 13**

In the same manner and form as set out in Article 12, shareholders may send the Company requests for placing items on the agenda and for proposals for resolutions to agenda items including voting proposals. The Company has the right to request personal identification of shareholders (proxy givers) who have sent requests or proposals per e-mail and to verify the authenticity of signatures.

### **Article 14**

Detailed provisions regarding procedures at the General Meeting of Shareholders shall be laid down in the *Rules of Procedure of the General Meeting of Shareholders*.

## **B. Supervisory Board**

### **Article 15**

The Supervisory Board shall oversee the management of the Company's operations and shall perform other functions in compliance with applicable regulations, the Articles of Association and other Company internal rules and regulations.

### **Article 16**

The Supervisory Board shall be composed of six members, of whom four members—representatives of the shareholders—shall be elected by the Company's General Meeting of Shareholders, and two members—employee representatives—shall be elected by the Company's workers council, who shall inform the General Meeting of Shareholders of its resolution.

The Supervisory Board members shall elect a Chairman and a Deputy Chairman from among Supervisory Board members—shareholder representatives.

### **Article 17**

The term of office of Supervisory Board members shall be four years, renewable.

## **Article 18**

Only natural persons of unrestricted legal capacity who meet the general and special conditions laid down by law may become Supervisory Board members.

## **Article 19**

Supervisory Board members are entitled to payment for performing their function in the form of remuneration for performing their function, attendance fees and reimbursement of expenses. The amount of these payments shall be determined by resolution in General Meeting.

## **Article 20**

The Supervisory Board shall be accountable to the Company's General Meeting of Shareholders.

## **Article 21**

The Supervisory Board shall be quorate if the majority of its members are present when adopting resolutions.

Supervisory Board resolutions shall be taken by a majority of votes cast by Supervisory Board members.

In case of a tied vote, the Chairman of the Supervisory Board shall have a casting vote.

Each Supervisory Board member shall have one vote.

## **Article 22**

The Supervisory Board supervises the management of the Company's operations.

The Supervisory Board of the Company shall have the following responsibilities:

- to grant consent to the Management Board on issues relating to the
  - the business policy,
  - the financial plan,
  - organisation of the internal control system, and
  - annual plan of the internal audit department,
- to examine the proposed appropriation of the statement of financial position profit submitted by the Management Board, and to prepare a written report for the General Meeting of Shareholders,

- to oversee the appropriateness of the procedures and efficiency of internal audit activities,
- to discuss the findings of the Insurance Supervision Agency, tax inspection and other supervisory bodies in the supervisory procedures conducted with regard to the Company,
- to examine the annual and other financial reports of the Company and compile a reasoned opinion accordingly,
- to examine the compiled annual report submitted by the Management Board, adopt a position on the audit report, and compile the respective written report for the General Meeting of Shareholders, either specifying any comments or approving it,
- to explain to the General Meeting of Shareholders its position on the internal audit's annual report, and
- to perform other tasks in compliance with the applicable regulations and these Articles of Association.

### **Article 23**

More detailed provisions regarding the procedures of the Supervisory Board shall be laid down in the *Rules of Procedure of the Supervisory Board*.

## **C. Management Board**

### **Article 24**

The Management Board shall be the manager, agent and representative of the Company. The Management Board shall have at least two but not more than five members, of whom one shall be the Chairman and the others shall be the Members of the Management Board. The exact number of Management Board Members and the areas for which each individual member is responsible shall be laid down in the *Act on the Management Board* to be adopted by the Supervisory Board at the proposal of the Management Board.

### **Article 25**

The Chairman and Members of the Management Board shall be appointed by the Supervisory Board for a period of five years. Such appointments shall be renewable without limitations.

## **Article 26**

Each Member of the Management Board must be a natural person of unrestricted legal capacity and must meet the conditions laid down by law.

## **Article 27**

The Company shall be represented by:

- the Chairman of the Management Board together with either the Deputy or one Member,
- the Deputy Chairman of the Management Board together with either the Chairman or one Member, or
- a Member of the Management Board together with either the Chairman or Deputy or another Member.

No Member of the Management Board shall have authority to represent the Company independently with regard to the entire scope of business pertaining to the Company's activities.

## **Article 28**

The Management Board shall take decisions by a majority of votes cast.

The other issues relating to the manner of work of the Management Board shall be laid down by the *Rules of Procedure of the Management Board*.

## **APPROPRIATION OF NET PROFIT AND STATEMENT OF FINANCIAL POSITION PROFIT**

### **Article 29**

Resolutions about the appropriation of net profit shall be taken at the time of compiling the annual report, in compliance with the order of precedence and the purposes laid down by law.

Decisions about the appropriation of the statement of financial position profit shall be taken by the General Meeting of Shareholders at the proposal of the Management Board and the Supervisory Board. The statement of financial position profit may be appropriated as follows:

- a portion for dividends,
- a portion for other profit reserves,
- a portion for other purposes, such as payments to be made to employees.

The Chairman and Members of the Management Board shall not participate in the Company's profits unless otherwise stipulated in the law on participation of employees in Company profits.

## **RESERVES PROVIDED FOR BY THE ARTICLES OF ASSOCIATION**

### **Article 30**

The Company shall set aside reserves provided for by the Articles of Association amounting to EUR 11,475,546.65 (eleven million four hundred and seventy-five thousand five hundred and forty-six euros 65/100).

The reserves provided for by the Articles of Association shall be set aside by using 15% (fifteen percent) of the net profit remaining after covering any retained loss and providing for legal reserves and reserves for treasury shares. Such amount is then added to the reserves provided for by the Articles of Association up to the level determined in paragraph 1 (one) hereunder.

Reserves provided for by the Articles of Association shall be employed:

- to settle the net loss which cannot be (fully) settled from retained profit and other profit reserves, or the said sources of funds are not sufficient to settle the net loss in full (an instrument of additional protection of the Company's tied capital),
- to increase the share capital from the Company's own funds, and
- to regulate the Company's dividend policy.

## **PUBLICATION OF DATA AND COMMUNICATIONS OF THE COMPANY**

### **Article 31**

Data and communications with regard to which there is a legal obligation of publication or which are important to the Company or its Shareholders shall be announced through the SEO-net information system of the Ljubljana Stock Exchange and through the Company's website. In addition, the Company shall publish notices of General Meetings and other communications for which there is a legal obligation of publication in one of the printed media: in one of the daily newspapers *Delo*, *Finance* or *Dnevnik* or in the *Official Gazette of the Republic of Slovenia (Uradni list Republike Slovenije)*.

Decisions about the announcement of any other data relevant to shareholders and the Company and about the manner and form of announcement shall be taken by the Management Board.

## **INTERNAL AUDIT**

### **Article 32**

Internal Audit shall oversee the Company's operations on an ongoing basis and shall be an independent organisational part, functionally and organisationally separated from

the other organisational units of the Company, and shall be directly subordinated to the Management Board of the Company.

In agreement with the Supervisory Board, the Management Board of the Company shall, by adopting the *Rules*, stipulate in detail the terms of reference of the Internal Audit.

## **BUSINESS SECRECY**

### **Article 33**

The Management Board shall, by adopting a special resolution, lay down the data which shall be considered public secrecy and the persons who shall be obliged to maintain business secrecy.

## **DURATION OF THE COMPANY AND MANNER OF DISSOLUTION**

### **Article 34**

The Company is established for an unlimited period of time.

The Company may terminate its operations in compliance with applicable regulations.

## **TRANSITIONAL AND FINAL PROVISIONS**

### **Article 35**

On the day of entry into force of these Articles of Association, the Articles of Association of Pozavarovalnica Sava, d.d. dated 10 December 1990 (the tenth day of December nineteen hundred and ninety) with amendments shall cease to apply.

## **APPENDIX:**

List of incorporators of Pozavarovalnica Sava, d.d.