

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR PUBLIC JOINT-STOCK COMPANIES

The Management Board and Supervisory Board of Sava Reinsurance Company ("the Company") hereby confirm that the Company operates in compliance with the provisions of the Corporate Governance Code for Public Joint-Stock Companies ("Code"), except for the deviations expressly explained below.

Recommendation 1: The Company does not have the goals pursued by it in performing its activities expressly laid down in its Articles of Association. Instead, they are laid down in its business policy and financial plan, as well as in its medium-term strategic plan.

Recommendations 2, 2.1 and 2.2: The Company has not drawn up and adopted a Corporate Governance Policy in one document. The areas covered by the above recommendations are governed by several internal or public documents. Otherwise the Company implements the said recommendations. In 2010, it intends to start drawing up the said Policy that will be fully compliant with the Code.

Recommendation 6.2: The Supervisory Board has two members who are employee representatives. They are employed with the Company and therefore have business ties with it. They were appointed already in 2007 by the Workers' Council in accordance with the applicable regulations.

Recommendation 8.4: To distribute materials and convene meetings, the Supervisory Board makes use of mail or couriers. This policy has so far not disturbed its work. If need arises, the Supervisory Board will start using information technology for the said purpose, as recommended by the Code.

Recommendation 8.7: The decisions adopted at the Supervisory Board's meetings are communicated to the public by the Company or its representative. The manner and contents of such communications are each time agreed between the Supervisory Board and the Company's representative responsible for communicating with the public.

Recommendations 8.8 and 8.9: The Company's Articles of Association or the Supervisory Board's resolutions do not stipulate requirements additional to those stipulated by the law for the position of a Management Board member. However, the Company as reinsurer is subject to special regulations, i.e. the Insurance Act, which stipulates additional requirements for the position of a Management Board member. In addition, Management Board members must obtain authorisation from the Insurance Supervision Agency before they can start their term of office, which is issued only in relation to a specific insurance or reinsurance company. In view of the strict regulatory framework, the Company is of the opinion that stipulating additional requirements is not necessary.

Recommendations 9, 9.1 and 9.3: The Supervisory Board does not evaluate the competence and efficiency of each individual Supervisory Board member, as the Board functions as a whole. As a rule, the Supervisory Board meets in its full composition and adopts decisions jointly, which makes it difficult to evaluate the contribution of each individual member. All members also participate in all Supervisory Board's decision-

making and other processes. In view of all this, the Company is of the opinion that evaluating the performance of each individual Supervisory Board member is not necessary.

Recommendations 12, 12.1 and 12.2: Based on the resolution of the General Meeting of 8 August 2007, Members of the Supervisory Board receive only attendance fees. Based on the resolution of the General Meeting of 3 July 2009, these were reduced in view of the financial crisis by 50 percent for the period from 3 July 2009 to 31 December 2010. The Company will consider the possibility of introducing payments for members of the Supervisory Board that would be compliant with the above recommendations.

Recommendation 13.1: The Supervisory Board has not set up a permanent Human Resources or Nomination Committee. As its four-year term of office expired in 2009, it appointed, in April 2009, an ad-hoc five-member Nomination Committee. This was tasked with selecting objectively and transparently candidate members of the Supervisory Board to be proposed to the General Meeting for election. The Committee was dissolved upon their selection.

Recommendation 20.2: The Company does not have a single document regulating the elements from the above recommendation. They are regulated by different internal acts or implemented in practice. In 2010, the Company will bring this area in line with the above recommendation.

Recommendation 22.2: The Company did not publish a separate corporate sustainability report including a report on social responsibility on its website or as a part of the annual report.

Recommendation 22.5: In the annual report, the Company did not disclose for its members of the Management and Supervisory Boards their memberships on the management or supervisory bodies in non-related companies.

This statement relates to the Company's operations from 31 March 2009 up to the date of the statement.

Ljubljana, 31 March 2010

Sava Re Management Board



Mag. Zvonko Ivanušič
Chairman



Jošt Dolničar
Member



Srečko Čebtron
Member

Sava Re Supervisory Board



Branko Tomažič
Chairman