

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA REINSURANCE COMPANY**

**Explanation of the proposals for resolutions for the 25th General Meeting of Shareholders  
of Sava Reinsurance Company**

**Ad agenda item 1 (Explanation of the Management Board):**

**OPENING OF THE MEETING, ELECTION OF MEETING BODIES, ESTABLISHMENT OF QUORUM  
AND APPROVAL OF AGENDA**

Pursuant to the Slovenian Companies Act and the Articles of Association of Sava Reinsurance Company, the Management Board has the power and is responsible for calling the General Meeting of Shareholders.

In the capacity of convenor, the Management Board proposes meeting bodies for election, as follows:

For Chairperson of the General Meeting: Branka Neffat

For members of the Verification Committee: two representatives of Ixtlan Forum, d.o.o. and one representative of Sava Reinsurance Company

The General Meeting will also be attended by the invited notary Miro Košak.

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA REINSURANCE COMPANY****Explanation of the proposals for resolutions for the 25th General Meeting of Shareholders  
of Sava Reinsurance Company****Ad agenda item 2 (Explanation of the Management Board and the Supervisory Board):****PRESENTATION OF THE ANNUAL REPORT 2011 WITH THE AUDITOR'S OPINION AND WRITTEN REPORT OF THE SUPERVISORY BOARD TO THE ANNUAL REPORT AND PRESENTATION OF THE ANNUAL REPORT ON INTERNAL AUDITING FOR 2011 WITH THE OPINION OF THE SUPERVISORY BOARD**

Pursuant to Article 293 of the Companies Act, the General Meeting is to decide on the approval of the annual report, if the Supervisory Board has not approved it. Thus, the General Meeting is only to decide on the annual report in specific cases, which are not given in this instance.

The Supervisory Board oversaw the activities of the Company in the financial year 2011 pursuant to its powers and terms of reference. In its session on 24 April 2012, the Supervisory Board approved the annual report of the Company as proposed by the Management Board. Pursuant to the Companies Act, the Supervisory Board prepared a report addressed to the General Meeting of the Company, which forms an integral part of the annual report.

Pursuant to the Insurance Act, the Management Board presents to the General Meeting the annual report on internal auditing with the opinion of the Supervisory Board thereto.

Under this agenda item, the General Meeting is presented the annual report for 2011 with the auditor's opinion and written report of the Supervisory Board to the annual report, and the annual report on internal auditing for 2011 with the opinion of the Supervisory Board.

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA REINSURANCE COMPANY****Explanation of the proposals for resolutions for the 25th General Meeting of Shareholders  
of Sava Reinsurance Company****Ad agenda item 3 (Explanation of the Management Board and the Supervisory Board):  
DISTRIBUTABLE PROFIT AND GRANTING OF DISCHARGE TO THE MANAGEMENT BOARD  
AND THE SUPERVISORY BOARD FOR 2011**

As at 31 December 2011 distributable profit totalled EUR 7.915.508.

Distributable profit comprises unallocated net profit for the financial year 2010 of EUR 3.596.862 and net profit for 2011 of EUR 8.637.292 less EUR 4.318.646, which was appropriated by the Management Board when preparing financial statements.

Distributable profit of EUR 7.915.508 shall remain undistributed.

The Management Board proposes that for the financial year 2011, distributable profit is not used for dividend payments based on the following:

- Preparing for Solvency II: Sava Reinsurance Company has a good surplus of available solvency margin over the required solvency margin as per Solvency I. Also based on available information, it currently does not anticipate any needs for recapitalisation due to Solvency II. Nevertheless, capital requirements under Solvency II are not entirely clear yet (especially in the part relating to capital requirements pertaining to the risk of natural catastrophes); therefore, it is not possible to be certain about the surplus / deficit with regard to the required amount of available solvency margin. Otherwise, the Company is committed to a stable dividend policy with dividend payouts of 20% of profit for the year.

Pursuant to Article 294 of the Companies Act, the General Meeting is to decide on the discharge to be granted to the Management Board and the Supervisory Board for the past financial year 2011.

Pursuant to recommendation 5.8 of the Corporate Governance Code for Public Joint-Stock Companies stating that the general meeting should adopt resolutions on adopting management or supervisory bodies discharges separately for each body, the General Meeting is given separate resolutions for adoption in respect of each body.

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA REINSURANCE COMPANY****Explanation of the proposals for resolutions for the 25th General Meeting of Shareholders  
of Sava Reinsurance Company****Ad agenda item 4 (Explanation of the Supervisory Board):****APPOINTMENT OF AUDITOR FOR THE FINANCIAL YEAR 2012**

The proposal of the Supervisory Board is based on the proposal of the Supervisory Board Audit Committee dated 23 April 2012, who pursuant to Article 280 of the Companies Act (ZGD-1) take part in the selection process of the independent external auditor. The Supervisory Board adopted their proposal.

The Supervisory Board proposes to the General Meeting that the General Meeting appoint the auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o. Železna cesta 8a, Ljubljana as auditor for the Annual Report of Sava Reinsurance Company and the Sava Re Group for 2012.

KPMG is a recognised global auditor of who KPMG Slovenija, podjetje za revidiranje, d.o.o., Ljubljana is a part; the company has been operating in Slovenia since 1993. The company has relevant experience in the auditing of financial statements of commercial companies and services domestic as well as international clients. Major auditing clients in Slovenia in the past five years included large commercial companies and groups.

The proposed auditor, KPMG Slovenia, will thus audit the annual report of the Sava Re Group and Sava Reinsurance Company for the fourth consecutive year.

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The MANAGEMENT BOARD and the SUPERVISORY BOARD  
of Sava Reinsurance Company d.d.