

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE, D.D.**

**Explanations of the Proposed Resolutions for the 33rd General Meeting of Shareholders of Sava Re, d.d.**

**Ad agenda item 1 (management board's explanation):**

**OPENING OF THE MEETING, ESTABLISHMENT OF QUORUM AND APPOINTMENT OF MEETING BODIES**

Pursuant to the Slovenian Companies Act (ZGD-1) and the articles of association of Sava Re, d.d., the management board has the power to call, and is responsible for calling, the general meeting of shareholders.

In its capacity of convenor, the management board proposes the meeting bodies for election as follows:

- for chairman of the general meeting: Nina Šelih, attorney-at-law;
- for members of the verification committee: two representatives of Ixtlan Forum d.o.o. and one representative of Sava Re, d.d.

The general meeting will also be attended by invited notary Bojan Podgoršek.

MANAGEMENT BOARD  
of Sava Re, d.d.

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**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE, D.D.****Explanations of the Proposed Resolutions for the 33rd General Meeting of Shareholders of Sava Re, d.d.****Ad agenda item 2 (explanation of the management and supervisory boards):**

**PRESENTATION OF THE 2016 ANNUAL REPORT, INCLUDING THE AUDITOR'S OPINION; PRESENTATION OF THE WRITTEN REPORT OF THE SUPERVISORY BOARD ON ITS ACTIVITIES, INCLUDING ITS OPINION ON THE AUDITED ANNUAL REPORT; INFORMATION ON THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES; PRESENTATION OF THE 2016 ANNUAL REPORT ON INTERNAL AUDITING, INCLUDING THE OPINION OF THE SUPERVISORY BOARD THEREON; AND THE MANAGEMENT BOARD'S REPORT ON OWN SHARES**

Pursuant to Article 293 of the Slovenian Companies Act (ZGD-1), 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 only decides on the approval of the annual report in specific cases, but it is not the case here.

The supervisory board oversaw the activities of the Company in the 2016 financial year pursuant to its powers and terms of reference. In its session of 5 April 2017, the supervisory board approved the annual report of the Company as proposed by the management board. Pursuant to the ZGD-1, the supervisory board prepared a report on its activities in 2016, including an opinion on the audited annual report, which forms an integral part of the annual report.

Article 294 of the ZGD-1 provides that the management board must present information to the general meeting, when deciding on the appropriation of distributable profit, on the remuneration of the members of the management and supervisory bodies for performing their function in the Company in the past financial year. This information is disclosed in the annual report.

Pursuant to the Slovenian Insurance Act, the management board is required to present to the general meeting the annual report on internal auditing, including an opinion of the supervisory board thereto.

Under this agenda item, the general meeting is presented the 2016 annual report, including the auditor's opinion and the written report of the supervisory board for the annual report, and the 2016 annual report on internal auditing with the opinion of the supervisory board thereto.

Under this agenda item, the general meeting is also presented with the management board's report on own shares.

The MANAGEMENT BOARD and the SUPERVISORY BOARD  
of Sava Re, d.d.

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**Explanations of the Proposed Resolutions for the 33rd General Meeting of Shareholders of Sava Re, d.d.****Ad agenda item 3 (explanation of the management and supervisory boards):****APPROPRIATION OF DISTRIBUTABLE PROFIT AND GRANTING OF DISCHARGE TO THE MANAGEMENT AND THE SUPERVISORY BOARDS FOR 2016**

In accordance with Article 294 of the Companies Act (ZGD-1), the general meeting must decide on the appropriation of distributable profit at the same time it decides on the discharge of the members of the management and supervisory boards. The ZGD-1 provides that the deliberation on discharge be linked with deliberation on the appropriation of distributable profit, while the management board must submit to the general meeting the annual report and the report of the supervisory board on the results of the verification relating to the annual report in order to facilitate decision making.

The proposed resolution on the appropriation of distributable profit and dividend payout is based on the results achieved and the dividend policy as well as on the opinion of both the supervisory and management boards on the appropriateness of such appropriation.

In early 2015, the management board adopted, and the supervisory board approved, the basis for the dividend policy of Sava Re. The management board laid down the dividend policy as follows: The Company will pay out dividends in the amount of approximately 30 per cent of the net profit of the Sava Re Group (consolidated profit), with the management board making adjustments to their proposal for dividend payout, taking into account the Company's capitalisation, new development projects to engage additional capital, capital requirements for the support of organic growth, and other major factors that affect the financial position of the Company.

The management and supervisory boards jointly propose that the general meeting of shareholders pass the following resolution on the appropriation of distributable profit (of € 18,410,390.94):

- € 12,398,165.80 shall be appropriated for dividends.
- The remaining distributable profit of € 6,012,234.14 shall remain unallocated.

The Company proposes a regular dividend of € 0.8 per share, representing a 23.1 per cent increase over the regular dividend paid from the 2016 net profit, while the overall dividend payout accounts for 37.7 per cent of the net profit for 2016 of € 32,918,213. The Company has decided to increase the regular dividend based on its stable operations and strong capital position.

The Company has prepared the proposed payout level based on:

1. the estimated surplus of eligible own funds over the solvency capital requirement under Solvency II as at 31 December 2016;
2. the Group's own risk and solvency assessment;
3. the capital models of the rating agencies Standard & Poor's and A.M. Best; and
4. the approved 2017 financial plan of the Sava Re Group.

The proposal for the appropriation of distributable profit is based on the number of own shares as at 31 December 2016. On the date of the general meeting, the number of shares entitled to dividends may change as a result of disposals of own shares. Should the number of own shares change, the general meeting of shareholders will be presented with the proposed adjusted figures for appropriation of the distributable profit, while the amount of the dividend per share of € 0.80 shall remain unchanged.

In addition, in 2016 Sava Re, d.d. returned generated profits to its shareholders in the form of own share repurchases, in the total amount of € 14,619,362. As at 31 December 2016, the total value of all own shares was € 24,938,709. Through dividend payments and own share repurchases in the years 2014 to 2017, Sava Re, d.d. will return a total of 63.2 million to its shareholders, which exceeds the amount of the capital increase in 2013 and attests to the strong financial position of the Company.

Due to the inclusion of Slovenia's Central Securities Clearing Corporation into the TARGET2-Securities system, Sava Re, d.d. applied the new rules for the setting of the record date (ex-dividend date) and the dividend payment date for 2016. Accordingly, the proposed record date is 19 June 2017 and the proposed dividend payment date is 20 June 2017.

Pursuant to Article 294 of the ZGD-1, the general meeting must decide on the discharge to be granted to the management and the supervisory boards for the financial year 2016.

Due to the changes in the composition of the management board in 2016, the supervisory board proposes that the general meeting take separate votes on the granting of the discharge to each of the members of the management board, in accordance with Article 294, second sentence of the first paragraph, of the Companies Act. In accordance with established case law, it is proposed that the general meeting vote on the granting of the discharge only for the current members of the management board who carried out their functions in the financial year 2016.

The MANAGEMENT BOARD and the SUPERVISORY BOARD  
of Sava Re, d.d.

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