

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

Explanations of the proposed resolutions for the 35th 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) 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 chair 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.

The MANAGEMENT BOARD
of Sava Re d.d.

TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE D.D.**Explanations of the proposed resolutions for the 35th general meeting of shareholders of Sava Re d.d.****Ad agenda item 2 (explanation of the management and supervisory boards):**

PRESENTATION OF THE 2018 AUDITED 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 2018 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, the general meeting is to decide on the approval of the audited annual report, if the supervisory board has not approved it. Thus, the general meeting only decides on the approval of the audited annual report in specific cases, but it is not the case here.

The supervisory board oversaw the activities of the Company in the financial year 2018 pursuant to its powers and terms of reference. In its session of 3 April 2019, the supervisory board approved the audited annual report of the Company as proposed by the management board. Pursuant to the Slovenian Companies Act, the supervisory board prepared a report on its activities in 2018, including an opinion on the audited annual report, which forms an integral part of the annual report.

Article 294 of the Slovenian Companies Act states 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 within the Company in the past financial year. This information is disclosed in the audited 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 the opinion of the supervisory board thereto.

Under this agenda item, the general meeting is presented with the 2018 annual report, including the auditor's opinion and the written report of the supervisory board for the annual report, and the 2018 annual report on internal auditing, including 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.

Explanations of the proposed resolutions for the 35th 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 SUPERVISORY BOARDS FOR 2018**

In accordance with article 294 of the Slovenian Companies Act, the general meeting must decide on the appropriation of distributable profit at the same time as on the discharge of the members of the management and supervisory boards. The Act states that the deliberation on the discharge is linked with the deliberation on the appropriation of distributable profit, while the management board must submit to the general meeting the audited annual report and the report of the supervisory board on the verification results relating to the audited annual report in order to facilitate decision making.

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

The management and supervisory boards jointly propose that the general meeting of shareholders adopt the following resolution on the appropriation of distributable profit (of EUR 31,034,921.26):

- EUR 14,722,811.20 is to be appropriated for dividends.
- The remaining distributable profit of EUR 16,312,110.06 is to remain unappropriated.

The Company's dividend policy provides for a 10% annual dividend growth, while the dividend payout must not exceed 40% of the Group's net profit for the year. In line with the adopted dividend policy, the Company also considers the following when preparing its dividend proposal:

- the estimated surplus amount of eligible own funds over the solvency capital requirement under Solvency II,
- the Group's own risk and solvency assessment,
- the capital models of the rating agencies Standard & Poor's and AM Best,
- the approved annual and strategic plans of the Group and the Company,
- new development projects requiring additional capital,
- any other relevant circumstances affecting the financial situation of the Company.

The Company proposes a dividend of EUR 0.95 per share, an 18.8% increase over the dividend paid out in 2018. Based on the 10% dividend growth proposed by the dividend policy, the 2019 dividend would total EUR 0.88 per share; the proposal of the management and supervisory boards for a higher, EUR 0.95, dividend per share is supported by the fact that the Group 2018 net profit target was exceeded. The proposed dividend payout represents 34.23% of the Group's net profit for 2018. Although the 2018 performance is strong, we will continue to pursue long-term dividend growth and an adequate dividend yield in view of the risks faced by the industry and the global economy. By pursuing a stable dividend growth, we will be able to pay an adequate dividend in years when results are below target. The year 2018 was benign with regard to claims development, we therefore believe it is prudent to build reserves in preparation for leaner years. Another significant aspect of the Sava Re Group strategy is the Group's growth, both organic and acquisitions-based. For 2019, the Group is

planning a 4.5% rise in income, as well as growth from the completed acquisitions in the Croatian insurance market and the Slovenian asset management market. Both organic and acquisitions-based growth engage additional capital, which improves capital utilisation and the Group's profitability.

The proposal for the appropriation of distributable profit is based on the number of own shares as at 31 December 2018. 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 proposed adjusted figures for appropriation of the distributable profit, while the dividend per share of EUR 0.95 remains unchanged.

Due to the inclusion of Slovenia's Central Securities Clearing Corporation (KDD) into the TARGET2-Securities system, Sava Re d.d. applied the KDD rules for the setting of the record date and the dividend payment date for 2018. Accordingly, the proposed record date is 13 June 2019 and the proposed dividend payment date is 14 June 2019.

Pursuant to article 294 of the Slovenian Companies Act, the general meeting must decide on the discharge to be granted to the management and supervisory boards for the financial year 2018.

Pursuant to recommendation 8.8 of the Slovenian Corporate Governance Code for Listed Companies stating that general meeting resolutions on management and supervisory body discharges are to be decided separately for each body, the general meeting is given separate proposed resolutions for each body.

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

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

Explanations of the proposed resolutions for the 35th general meeting of shareholders of Sava Re d.d.

Ad agenda item 4 (explanation of the supervisory board):

APPOINTMENT OF AUDITOR FOR THE FINANCIAL YEARS 2019–2021

The supervisory board's proposal is based on the proposal (dated 6 November 2018) of the supervisory board's audit committee, which takes part in the selection procedure of the independent external auditor in accordance with article 280 of the ZGD-1.

With regard to its proposal for the supervisory board, the audit committee declared that it was not influenced by any third party nor was it subject to any limitations or undue interference.

The supervisory board adopted the audit committee's proposal.

The supervisory board proposes that the general meeting appoint the audit firm **KPMG Slovenija, podjetje za revidiranje d.o.o., Železna cesta 8A, Ljubljana**, as auditor of the financial statements of the Sava Re Group and Sava Re d.d. for the financial years 2019–2021.

KPMG is a recognised global audit firm, present in 154 countries worldwide as well as in Slovenia and in most countries where Sava Re Group companies are based. The firm has relevant experience in the auditing of financial statements of large companies or groups of companies, covering the insurance and banking sectors as well as other commercial sectors. In 2018, it supported the implementation of IFRS 17 at a Slovenian insurer that is part of an international group.

In accordance with the Insurance Act (ZZavar-1, Official Gazette of the Republic of Slovenia, no. 93/2015), an insurer is required to appoint an auditor for a period of not less than three financial years. An audit firm is permitted to audit the annual report of an insurance company for no more than ten consecutive financial years.

KPMG last audited the financial statements of the Sava Re Group and Sava Re d.d. for 2012. The first financial statements of the Sava Re Group and Sava Re d.d. that the proposed audit firm, KPMG, is to audit are those for 2019, while it already audited the accounts of some Sava Re Group subsidiaries for 2018.

Over the past two years, the proposed audit firm, or companies part of the KPMG network, performed, for the Company and its related companies, non-audit services for corporate finance projects of Sava Re d.d. (mergers and acquisitions), mostly relating to financial, tax and legal due diligence, as well as valuations of target companies for the purpose of determining the takeover price.

KPMG has signed a statement that there are no conflicts of interest between Sava Re Group companies and the KPMG network and that the relevant audit team will be composed so as to ensure services of the highest quality.

The SUPERVISORY BOARD
of Sava Re d.d.
