

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

**Explanation of the proposed resolutions for the 36th 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 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.

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**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE D.D.****Explanation of the proposed resolutions for the 36th general meeting of shareholders of Sava Re d.d.****Ad agenda item 2 (explanation of the management and supervisory boards):**

**PRESENTATION OF THE 2019 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; PRESENTATION OF THE REMUNERATION POLICY FOR MEMBERS OF SUPERVISORY AND MANAGEMENT BODIES OF THE SAVA INSURANCE GROUP; INFORMATION ON THE REMUNERATION OF MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES; PRESENTATION OF THE 2019 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 2019 pursuant to its powers and terms of reference. In its session of 25 March 2020, 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 has prepared a report on its activities in 2019, including an opinion on the audited annual report, which forms an integral part of the annual report.

Under this agenda item, the general meeting takes note of the remuneration policy for members of supervisory and management bodies of the Sava Insurance Group.

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.

Under 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 thereon.

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

Under this agenda item, the general meeting is presented with the 2019 annual report, including the auditor's opinion and the written report of the supervisory board for the annual report, and the 2019 annual report on internal auditing, including the opinion of the supervisory board thereon. In addition, it takes note of the remuneration policy for members of supervisory and management bodies of the Sava Insurance Group, and the remuneration of members of management and supervision bodies.

The Management Board and the Supervisory Board  
of Sava Re d.d.

**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE D.D.****Explanation of the proposed resolutions for the 36th 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 2019**

Under 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 discussion on granting discharge be linked to the discussion on appropriation of distributable profit, and the management board is to 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.

On 31 March 2020, Sava Re received a letter from the Slovenian Insurance Supervision Agency calling on insurance, reinsurance and pension companies to temporarily suspend dividend payments and refrain from making any irrevocable commitments to pay dividends. Through this temporarily measure, in force until 1 October 2020, the Insurance Supervision Agency believes insurance companies will increase their resilience to the financial shock resulting from the consequences of the COVID-19 epidemic, maintain financial stability and prevent any potential business disruptions.

In view of the above, the management and supervisory boards propose to the Company's general meeting to adopt the resolution that the distributable profit for 2019, of EUR 34,705,806.06, not be distributed to shareholders and be allocated to retained earnings.

After the period of temporary suspension of dividend payments expires, the Company will review the basis for dividend distribution for the financial year 2019.

Under article 294 of ZGD-1, the general meeting is to decide on the discharge to be granted to the management and the supervisory boards for the financial year 2019.

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.

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**TO THE GENERAL MEETING OF SHAREHOLDERS OF SAVA RE D.D.****Explanation of the proposed resolutions for the 36th general meeting of shareholders of Sava Re d.d.****Ad agenda item 4 (explanation of the supervisory board):**

Under the applicable articles of association of Sava Re, the supervisory board is composed of six members, of which four (shareholder representatives) are elected by the general meeting of shareholders.

The four-year term of office of the Sava Re supervisory board member Davor I. Gjivoje Jr is scheduled to expire on 7 March 2021.

In order to avoid the risk that, from the expiry of the term of office (7 March 2021) until the appointment of new supervisors at the ordinary annual general meeting (in June 2021), the Company would only operate as a five-member supervisory board, which would result in non-compliance with the Company's articles of association regarding supervisory board composition, and to avoid having to call an extraordinary general meeting, it is more meaningful to place the agenda item ***Election of supervisory board member*** on the agenda of the ordinary annual general meeting scheduled for 16 June 2020.

Under the Slovenian Companies Act, the supervisory board is responsible for proposing to the general meeting candidates for new supervisory board members to represent shareholder interests.

The proposal of the supervisory board is based on the proposal (dated 24 March 2020) by the supervisory board's nominations and remuneration committee, which is a consulting body in the selection of the candidate for membership of the supervisory board. The candidate is then proposed by the supervisory board to the general meeting for election.

Following the recommended practice of ensuring the continuity of the supervisory board because of the complexity of the composition and operation of the Sava Insurance Group and since the Group has just entered into a three-year strategy period and not least because the current member currently meets statutory and internal fit and proper standards, the supervisory board proposes to the general meeting to re-elect the current supervisory board member **Davor Ivan Gjivoje Jr**.

In accordance with the recommendations of the Corporate Governance Code for Listed Companies, the membership of a supervisory board member is limited to a maximum of three terms due to the assessment of the criterion of independence. On 7 March 2021, Davor I. Gjivoje Jr will end his first term of office, so the candidate meets the recommendation regarding the maximum number of mandates on the board.

The candidate has consented to his nomination and signed statements confirming that there are no circumstances that, under the Slovenian Companies Act and Insurance Act, would oppose his election. In addition, the candidate has signed a statement giving qualifications as to each criterion of independence and declaring to be independent within the meaning of the provisions of the Corporate Governance Code for Listed Companies; the statement also includes a declaration explicitly stating that the candidate has the appropriate motivation, experience, knowledge and time for serving on the Company's supervisory board.

The nominee has submitted all documentation required under internal fit and proper regulations of relevant personnel of Sava Re.

In preparing its proposal, the supervisory board considered the recommendation of diversity of technical knowledge, experience and skills in order for supervisory board members to complement each other, while also taking due account of the recommendation to consider national diversity of representation on the supervisory board. Furthermore, the supervisory board sought to prepare a proposal especially in line with the principle of continuity of the supervisory board's operation.

The supervisory board's fit and proper committee of Sava Re assessed as fit and proper the proposed candidate as well as the competence of the supervisory board as a collective body in the expected future composition.

The general meeting of shareholders is proposed that Davor Ivan Gjivoje Jr. take up his new term of office on 8 March 2021, which under the Company's articles of association will last for four years, counting from the date of his appointment.

**Brief presentation of candidate:**

***Davor Ivan Gjivoje Jr (1968) is an American citizen with Croatian roots, who has lived in the USA for over 40 years. In 1990, he graduated from Brown University with a degree in political science (Bachelor of Arts, magna cum laude). In 1995, he graduated from Harvard Business School, Boston, Massachusetts (Master of Business Administration). He also studied social and political sciences at Cambridge University, England. He is the chief executive of an international holding company, the main activities of which are hotel development, airline marketing and hospitality-related investments. Over the past 20 years, he has held various executive positions at Networld, Inc./DGG Holdings, Ltd. Prior to that, he worked in banking (Citibank, NA) and as a consultant (The Boston Consulting Group). Davor Ivan Gjivoje is also active in medical/hospital-based philanthropy in the larger New York Area, and in education as President of the Board of Education of the Harding Township School, Harding, New Jersey. Currently, he serves on the Sava Re supervisory board, on the Sava Re supervisory board's nominations and remuneration committee and on its risk committee. If he is elected by the general meeting, Davor Ivan Gjivoje Jr will be starting his second consecutive term of office.***

The Supervisory Board  
of Sava Re d.d.

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**Ad agenda item 5 (explanation of the management and supervisory boards):**

**BRIEFING OF THE GENERAL MEETING ON THE APPOINTMENT OF SUPERVISORY BOARD MEMBERS REPRESENTING EMPLOYEE INTERESTS**

Under the articles of association of Sava Re, the supervisory board is composed of six members, of which two (employee representatives) are elected by the workers' council, which subsequently informs the general meeting of its resolution.

The general meeting takes note of the fact that the term of office of Andrej Gorazd Kunstek and Mateja Živec, members of the supervisory board representing employee interests, expired on 11 June 2019.

The general meeting takes note of the fact that Andrej Gorazd Kunstek and Mateja Živec have been reappointed as employee representatives to serve another term on the Company's supervisory board. Both members began their new terms of office on 12 June 2019.

The Management Board and the Supervisory Board  
of Sava Re d.d.