

Sava Re d.d.
Dunajska 56
1000 Ljubljana

Ljubljana, 23 April 2020

Subject: Counter-proposal of shareholder VZMD to agenda item 3 of the 36th general meeting of shareholders of Sava Re d.d.

VZMD, a shareholder of Sava Re d.d. (hereinafter the "Shareholder-Proposer") has filed a counter-proposal based on article 300 of ZGD-1– a counter-proposal to proposed resolution no. 3.1 of the 36th general meeting of shareholders of Sava Re d.d., scheduled to be held on Tuesday, 16 June 2020, at 14.00 in the Andromeda Hall of the Austria Trend Hotel, Ljubljana, Dunajska cesta 154, 1000 Ljubljana.

At the general meeting, the Shareholder-Proposer will object to the original resolution and induce other shareholders to vote for their proposal. The Shareholder-Proposer expects that their proposal will be made public and communicated in accordance with article 296 of ZGD-1.

COUNTER-PROPOSAL

to proposed resolution 3.1 under meeting agenda item 3: Appropriation of distributable profit and granting of discharge to the management and supervisory boards for 2019

Proposed resolution no. 3.1:

"The distributable profit of EUR 34.705.806,06 as at 31/12/2019 is to be appropriated as follows:

- EUR 16,272,580.80 is to be appropriated for dividends. The dividend is EUR 1.05 gross per share and is to be paid, on 23/06/2020, to the shareholders entered in the shareholders' register at 22/06/2020.
- The remaining distributable profit of EUR 18,433,225.26 remains unappropriated.

The proposal for the appropriation of distributable profit is based on the number of own shares as at 31/12/2019. 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 1.05 remains unchanged."

Rationale:

At VZMD we believe that it is appropriate and inevitable that the Company distribute in dividends at least the promised, guaranteed and previously approved dividend or share of the generated distributable profit. As the proposer, we believe that the Company is capable of paying such a dividend to its shareholders without adverse impacts or otherwise compromising its plans.

Compared to the previous year, Sava Re has increased the distributable profit and, in addition, the proposal of the management and supervisory boards not to distribute dividends is in stark contrast to the guarantees

given at past general meetings, as well as the Company's adopted dividend policy of increasing dividends by 10% annually. Moreover, the Company's annual report 2019 clearly states a proposal for appropriation of the distributable profit at the same level as proposed in this counter-proposal put forward by VZMD. We would like to underline that a number of Sava Re shareholders who have signed a shareholder agreement with us have contacted us, expressing their expectation that an appropriate dividend yield will be realised by their investment.

The proposer would also like to draw attention to article 399 of ZGD-1, which among other things explicitly states that a general meeting resolution on the appropriation of distributable profits may be challenged if distributions to shareholders are below 4% of the share capital.

In the light of certain recommendations, requests and even across-the-board orders of certain institutions and associations on the non-payment of dividends, VZMD emphatically points out that the decision on dividend distribution is exclusively within the powers of the owners, i.e. the shareholders. We have also urged these institutions and associations who have circulated such notices to publish – as far as these exist – relevant analyses and information supporting their ad-hoc and harmful positions. Until the time of writing this proposal, we have received no explanations nor analyses that could justify these disputed positions and decisions – with extremely far-reaching, harmful consequences.

Sincerely,

Mag. Kristjan Verbič
President of VZMD