



Rules of Procedure of the Supervisory Board of Sava Re d.d.

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In accordance with Article 23 of the articles of association of Sava Re d.d., the supervisory board, in its meeting of 10 September 2020, adopted these

RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF SAVA RE D.D.

1 INTRODUCTORY PROVISIONS

Article 1

In accordance with the law and the articles of association of Sava Re d.d. (hereinafter: "Sava Re" or the "Company") these rules of procedure lay down the procedures for the operation and decision making of the supervisory board of Sava Re (hereinafter: the "Supervisory Board") relating to the convening of meetings and the preparing of meeting materials, as within the terms of reference of the Supervisory Board in line with the provisions of the Slovenian law governing commercial companies and insurance companies, the articles of association of Sava Re (hereinafter: the Company's Articles of Association) and other procedural acts of Sava Re conferring powers relating to the operation of the Supervisory Board.

2 GENERAL PROVISIONS

2.1 Terms of reference of the Supervisory Board

Article 2

The Supervisory Board shall oversee the conduct of the Company's business in line with the Company's business strategy and financial plan. In this regard, it shall act in accordance with applicable regulations, particularly the law governing commercial companies and insurance companies, as well as with the Company's Articles of Association and these rules of procedure.

The members of the Company's Supervisory Board shall discharge their function in compliance with the Corporate Governance Code for Listed Companies.

The Supervisory Board may request that the management board provide any information necessary for them to perform their supervisory function.

The conduct of business cannot be transferred to the Supervisory Board.

Some important tasks of the Supervisory Board are:

- S** to monitor and oversee the business conduct and operations of the Company, and, in the case of shortcomings or irregularities, propose to the management board measures for their remedial;
- S** to approve the business policy and financial plan of the Sava Insurance Group and Sava Re as prepared by the management board;
- S** to approve the development strategy of the Sava Insurance Group and Sava Re as prepared by the management board;
- S** to approve the written rules of the system of governance, risk management, compliance, internal audit, actuarial function, internal controls and outsourced business;
- S** to approve the granting and withdrawal of authority relating to key function holders;
- S** to approve the report on the solvency and financial condition of the Company and the Group;
- S** to approve the risk strategy of the Company and the Group as prepared by the management board;

- S** to consider the own risk and solvency report and quarterly risk reports of the Company and the Group;
- S** to consider compliance function reports;
- S** to consider actuarial function reports;
- S** to approve the framework annual and long-term work plan of the internal audit plan as prepared by the management board;
- S** to oversee the adequacy of the procedures used by and the effectiveness of the internal audit function and to consider internal audit function reports;
- S** to issue an opinion for the general meeting to be attached to the annual report on internal auditing;
- S** to approve the appointment, removal and rewarding of the head of internal audit;
- S** to review the annual and interim financial reports of the Sava Insurance Group and Sava Re;
- S** to review the annual report submitted by the management board, adopt an opinion on the auditor's report, and prepare a qualified or approving report for the general meeting;
- S** to review the proposal regarding appropriation of the distributable profit submitted by the management board, and prepare a written report for the general meeting;
- S** to appoint and remove the chair and the members of the management board,
- S** to decide on the criteria for determining the remuneration and reward system of the chair and the members of the management board;
- S** to adopt the rules of procedure of its operation;
- S** to draft general meeting resolutions within the Supervisory Board's terms of reference, and to perform tasks directed by the general meeting;
- S** to consider the findings of the Insurance Supervision Agency and other supervisory bodies made when exercising their supervisory function over the Company.

Article 3

Under the law, the Articles of Association and these rules of procedure, the Company's management board shall regularly, comprehensively and accurately report to the Supervisory Board on business operations, the financial situation of the Company and its solvency position. The management board shall report to the Supervisory Board at least quarterly.

Notification of the Supervisory Board is in writing or verbally in Supervisory Board meetings, if the Supervisory Board or its chair, the convenor, invites the management board members to attend the meeting.

2.2 Size and composition of the Supervisory Board

Article 4

In accordance with the Company's Articles of Association and applicable law, the Supervisory Board is composed of six members, of which four (shareholder representatives) are elected by the Company's general meeting, and two (employee representatives) are elected by the workers' council, which informs the general meeting of its decision. Supervisory Board members are appointed for a term of up to four years and may be re-elected.

Each Supervisory Board member may resign from the function by handing in a written statement addressed to the Company's management board indicating the end of their term of office.

The Supervisory Board is composed so as to ensure responsible oversight and decision making in the best interest of the Company. Members are selected so that their professional expertise, experience and skills are complementary.

2.3 Chair of the Supervisory Board

Article 5

In the constitutive meeting or in the meeting following the termination of the function of the chair or deputy chair of the Supervisory Board, the members of the Supervisory Board shall elect from among their own number a new chair or deputy chair of the Supervisory Board.

The chair and deputy chair of the Supervisory Board must be elected from among the members representing the shareholders.

The tasks of the chair of the Supervisory Board are:

- S** to prepare and convene Supervisory Board meetings; to chair Supervisory Board meetings;
- S** to sign the meeting minutes and other acts of the Supervisory Board;
- S** to ensure that the Supervisory Board operates in accordance with the law, the Company's Articles of Association and the resolutions of the general meeting;
- S** to coordinate the activities of the Supervisory Board;
- S** to ensure that the provisions of these rules of procedure are complied with;
- S** to report to the general meeting on the activities of the Supervisory Board;
- S** to inform the Company's management board of the resolutions of the Supervisory Board;
- S** to represent the Company and sign contracts as provided under law or these rules of procedure;
- S** to represent the Company in relations with the members of the management board;
- S** to represent the Company on behalf of the Supervisory Board and to perform other tasks as prescribed by law, the Company's Articles of Association and the rules of procedure of the Supervisory Board.

In the absence of the chair of the Supervisory Board, the powers referred to in the previous paragraph are vested in the deputy chair.

The chair of the Supervisory Board shall promote efficient and active participation of the members of the Supervisory Board.

The chair of the Supervisory Board shall maintain regular contacts with the chair of the management board, exchanging opinions on the Company's strategy, business development and risk management. The chair of the management board shall immediately inform the chair of the Supervisory Board about important events that are essential to assessing the Company's position, any consequences and in terms of the conduct of business. The chair of the Supervisory Board shall inform the Supervisory Board about important events and, if necessary, shall convene an extraordinary meeting.

2.4 Criteria for membership of the Supervisory Board

Article 6

A Supervisory Board member cannot be a member of the management board nor a procura or proxy holder of the Company.

A Supervisory Board member cannot be a person who fails to satisfy the conditions laid down by the applicable law.

The following criteria are used in assessing candidates for membership of the Supervisory Board in addition to the requirements or restrictions imposed by law. The following conditions should be met:

- S** adequate personal integrity and professional ethics;
- S** comprehensive knowledge of the business;
- S** time availability during the performance of the function;
- S** effective communication and teamwork skills;
- S** readiness to participate in continuous education and professional development.

The Supervisory Board shall be composed in such a way that its members as a collective body have experience in and knowledge of:

- S** insurance and financial markets,
- S** business strategy and business models,
- S** the management/governance system,
- S** financial and actuarial analysis, and
- S** the legislative framework and requirements,

so they can oversee the Company to ensure sound and prudent conduct of business.

The process and criteria for the selection of candidates for membership of the Supervisory Board and for drafting proposals for general meeting resolutions on the appointment of Supervisory Board members, including the process of periodic fit and proper assessments of individual members, is transparently set out in the Company's fit and proper policy.

2.5 Succession

Article 7

When setting up a Supervisory Board and upon a new member entering office and upon the appointment of special committees of the Supervisory Board, the chair of the Supervisory Board assisted by the management board shall organise a comprehensive induction programme for new Supervisory Board members or members of its committees.

New members of the Supervisory Board must be provided with:

- S** appropriate materials to assist new members in getting to know the Company and the Group from the point of view of a member of the Supervisory Board (current year financial reports of the Company and the Sava Insurance Group, most recent audited annual report of the Company and the Sava Insurance Group, strategy and business plan of the Company and the Group);
- S** legal instruments of the Company (the Company's Articles of Association, these rules of procedure, the act on the management board, and other acts of the Company that also apply to the members of the Supervisory Board or are directly related to their work);
- S** other relevant documents governing the operation of the Supervisory Board (e.g. the minutes of the Supervisory Board meetings for the current financial year, the calendar of planned Supervisory Board meetings in the current year, and proposed documents (declarations) to be signed by each member of the Supervisory Board).

2.6 Remuneration of Supervisory Board members

Article 8

Supervisory Board members are entitled to receive payment for performing their function in the form of remuneration for performing their function, attendance fees and reimbursement of expenses. The amount of these payments is determined by resolution of the general meeting. The Supervisory Board

is accountable to the Company's general meeting of shareholders. Supervisory Board members cannot participate in the Company's profits.

The remuneration for performing the function shall not be directly linked to the Company's performance as demonstrated by the Company's financial statements.

2.7 Professional secrecy, protection of inside information and non-compete obligation

Article 9

Under law, the Articles of Association and other general legal acts of the Company, the Supervisory Board members shall safeguard all information subject to professional secrecy and in this regard comply with such acts.

Information subject to professional secrecy includes, but is not limited to:

- S** materials for Supervisory Board meetings and the meetings of its committees,
 - S** all resolutions adopted by the Supervisory Board,
 - S** minutes of Supervisory Board meetings,
- until made public by the Company.

The members of the Supervisory Board shall also safeguard information subject to professional secrecy and inside information after the termination of their function.

Upon receipt of the Company's general legal acts relating to the safeguarding and handling of information subject to professional secrecy or inside information, the members of the Supervisory Board shall sign a statement acknowledging receipt of the legal act.

2.8 Responsibility of Supervisory Board members

Article 10

The members of the Supervisory Board shall act with the diligence of a conscientious and fair Manager.

2.9 Independence and loyalty of Supervisory Board members

Article 11

The members of the Supervisory Board shall take all precautionary measures to avoid any conflicts of interest that might affect their judgement.

Conflicts of interest are circumstances in which the private interest of a member of the Supervisory Board influences or appears to influence the member's impartial and objective performance of duties and tasks for the Company or the making of decisions that are part of performing their function in the Company. Conflicts of interest may be actual, potential or reasonably expected with regard to the circumstances. A private interest of a member means the pecuniary or non-pecuniary benefit of a member, their family members and other natural or legal persons with whom they are in private or business relations.

Annually and upon any change in membership, the members of the Supervisory Board shall sign and submit to the Supervisory Board a declaration of their independence in accordance with the Slovenian Corporate Governance Code for Listed Companies.

In the event of a suspected conflict of interest or suspected breach of non-compete provisions, a member of the Supervisory Board or management board shall immediately inform the Supervisory Board, and the Supervisory Board shall consider the matter and, if there is a conflict or breach, it take appropriate actions. If the Supervisory Board finds that the conflict of interest is significant, the Supervisory Board member shall immediately terminate the contentious relation, otherwise the Supervisory Board shall consider the need for the termination of the function of the Supervisory Board member and take relevant actions.

In the event of a potential conflict of interest, the member of the Supervisory Board shall report the circumstances and abstain from voting on the matter involving the conflict of interest. Clarifications or statements of members of the Supervisory Board in this respect shall be included in the meeting minutes.

If the chair of the Supervisory Board has reasonable grounds to believe that there is a conflict of interest, the chair may require, before taking a vote, that Supervisory Board members declare whether they have any conflict of interest relating to the matter put to the vote.

If a Supervisory Board member fails to report a potential breach of non-compete provisions or fails to comply with the resulting directions of the Supervisory Board, the Supervisory Board shall consider the need for the termination of the function of the member of the Supervisory Board and shall take appropriate actions.

2.10 Strengthening the good practices of the Supervisory Board

Article 12

In accordance with good practice, the Supervisory Board annually assesses its composition, operation, potential conflicts of interest of individual members and the functioning of the individual members and the Supervisory Board as a whole, including cooperation with the management board.

The self-assessment of the Supervisory Board includes the following activities:

- S** an evaluation of the activities of the Supervisory Board and its committees in the previous year, including an action plan of required improvements;
- S** an assessment of whether the communication and collaboration between the management board and the Supervisory Board is adequate;
- S** an assessment on the appropriateness and adequacy of the information it receives from the management board and other rapporteurs;
- S** an assessment of the members' contributions, their attendance at meetings and their participation in discussions and decision making;
- S** an assessment of the diversity of the Supervisory Board's composition with regard to its requirements in view of the goals set by the Company;
- S** a review of circumstances that could result in a conflict of interest or lack of independence of any member.

3 OPERATION, DECISION-MAKING AND PROCEDURES OF THE SUPERVISORY BOARD

3.1 Convening meetings and attendance

Constitutive meeting

Article 13

The constitutive meeting of the Supervisory Board is called by the chair of the management board. Until the election of the chair of the Supervisory Board, the meeting shall be chaired by its most senior member.

As a general rule, the constitutive meeting of the Supervisory Board is held no later than three (3) days after the commencement of the term of office.

Convening a meeting

Article 14

Supervisory Board meetings are convened by the chair or deputy chair at their own discretion or as prescribed by law to prepare for the Company's general meeting and within a time framework that enables timely consideration of the Company's interim business results for public release.

Invitations are sent to all Supervisory Board members no later than five (5) days prior to meetings.

Supervisory Board meetings are generally convened by giving notice in writing. Notice of a meeting must include an agenda and meeting materials, including proposed resolutions.

In case of urgency where immediate decisions are required, the chair of the Supervisory Board may convene a meeting in a different manner, without giving notice in writing (e.g. by telephone).

Alternatively, the management board may convene a meeting on behalf of the chair of the Supervisory Board.

A meeting of the Supervisory Board must also be convened if:

- S** requested by a resolution of the Company's general meeting of shareholders;
- S** requested by the Company's management board;
- S** requested by any member of the Supervisory Board;
- S** requested or recommended by the Insurance Supervision Agency, other market regulators or any external auditor.

At the request of any member of the Supervisory Board or management board stating a purpose of and grounds for the convening of a meeting, the chair of the Supervisory Board shall immediately convene a meeting by giving notice in writing.

If the chair of the Supervisory Board does not accept the request referred to in the previous paragraph, two or more members of the Supervisory Board may convene a meeting of the Supervisory Board and propose an agenda.

Article 15

The Supervisory Board convenes meetings and disseminates materials by using information technology. If more cost-effective due to the size of the Supervisory Board or the remoteness of its

members, the Supervisory Board shall also make use of information technology to organise meetings and for voting on proposed resolutions.

For the purpose of electronic communication with the members of the Supervisory Board, the Company shall ensure effective information security.

Informal meetings

Article 16

At the proposal of the chair of the Supervisory Board, the Supervisory Board may meet at an informal meeting; however, no decisions of the Supervisory Board can be adopted at such informal meetings.

Minutes shall not be taken at informal meetings unless otherwise decided by the majority of the Supervisory Board members present.

Supervisory Board members may decide, by way of consensus of all Supervisory Board members, to break off an informal meeting and immediately hold a formal Supervisory Board meeting. The Supervisory Board meeting is subject to the provisions of these rules of procedure.

Attendance at meetings

Article 17

As a rule, Supervisory Board meetings are closed to the public. Other than the Supervisory Board members, members of the management board, the minute taker and technical support, rapporteurs and relevant experts may also be invited to discuss specific items on the agenda. Other persons may also attend a Supervisory Board meeting if so approved by the chair or deputy chair of the Supervisory Board.

Article 18

Supervisory Board meetings shall be attended by members of the Supervisory Board and the minute taker, and in such cases as set out under paragraph 2 of article 24 of these rules of procedure also an adequate number of interpreters. Members of the management board shall attend Supervisory Board meetings upon the invitation of the chair of the Supervisory Board.

Members of the Supervisory Board unable to attend a meeting shall in due time of their absence inform the chair of the Supervisory Board, or the deputy chair should the chair of the Supervisory Board be unavailable, and the management board.

Article 19

Any member of the Supervisory Board and the chair of the management board may propose amendments to the agenda. The proposal referred to in the previous paragraph of this article shall be decided upon by the Supervisory Board directly in the meeting.

Correspondence meetings

Article 20

Supervisory Board meetings may exceptionally be held by correspondence, provided the meeting is about:

- S** the adoption of declaratory resolutions on the implementation of Supervisory Board resolutions adopted in a prior Supervisory Board meeting; or
- S** a resolution required for carrying out official procedures before administrative authorities or other institutions or organisations or for establishing business relations with other commercial companies; or

- S** the approval of individual balance sheet items relating to tasks that are subject to due dates; or
- S** a decision that has to be taken – requiring the consent of the Supervisory Board – that is necessary in order to safeguard the financial interests of the Company; or
- S** a decision that needs to be taken immediately in order to prevent material damage or loss or to mitigate loss or damage when such decision is exclusively within the terms of reference of the Supervisory Board; or
- S** in issues if the chair of the Supervisory Board deems it urgently necessary.

The chair or deputy chair shall communicate the proposal for a correspondence meeting through the Company's office of the management board to all Supervisory Board members. Correspondence meetings are subject to approval from all members; the members may give their approval by e-mail or text message, if these options are not available, by telephone; such approval is given by signing the ballot paper.

The chair of the Supervisory Board shall report the reasons for convening a correspondence meeting in the board's next meeting.

Materials for making decisions in a correspondence meeting are made available on the Company's intranet portal along with the proposed agenda for the correspondence meeting.

Use of information technology

Article 21

The Supervisory Board may use information technology to prepare for and carry out its meetings. A member of the Supervisory Board is also deemed to be attending a meeting if doing so through information technology that enables all the Supervisory Board members to communicate directly and at the same time. The Company's professional staff shall ensure that the use of information technology is secure.

3.2 Use of language

Article 22

Supervisory Board meetings are conducted in the Slovenian language. All materials and documents intended for the Supervisory Board are in the Slovenian language, except for documents that are originally written in a foreign language. The chair of the Supervisory Board or the chair of the management board may instruct such documents to be translated into Slovenian.

In extraordinary circumstances, meetings may also be held in English.

3.3 Schedule of meetings

Article 23

Supervisory Board meetings must be called at least quarterly.

The Supervisory Board shall prepare annually a meeting schedule for its own meetings and those of its committees, including especially the content and dates of those meetings that are obligatory due to requirements for release of business results or are normal with regard to past practices.

3.4 Preparation of materials

Article 24

When preparing for a meeting the chair of the Supervisory Board shall work with the Company's management board, which is responsible for ensuring all administrative, technical and other support necessary for the smooth convening and conduct of Supervisory Board meetings.

If individual members of the Supervisory Board do not speak Slovenian, the management board shall provide a written translation of the documents and materials and ensure interpreting in Supervisory Board meetings from English into Slovenian and vice versa. In the event of a discrepancy between the original document in Slovenian and its translation, the Slovenian version shall prevail unless the original document is in a foreign language.

The second paragraph of this article shall apply mutatis mutandis to the work of Supervisory Board committees.

Article 25

The Supervisory Board may, before starting their deliberation, request that the management board amend the proposed materials and may also reject the proposed materials.

Article 26

Materials, including the meeting notice, are available to the members of the Supervisory Board via the intranet portal five (5) days prior to the meeting. For easier orientation, the materials are designated with the number of the agenda item under which the materials are to be considered, or appropriate indications shall be made in the wording of the agenda in the meeting notice. Supervisory Board members are notified of any postings of materials through e-mail or text message. If materials are amended after posting them, the Supervisory Board members must be immediately informed thereof through e-mail or text message.

In exceptional cases, the notice of the meeting including the agenda and materials may be made available to Supervisory Board members with a certain delay; however, postings on the Company's intranet are not made later than three (3) days prior to any meeting of the Supervisory Board.

The Supervisory Board may also consider materials and make decisions based thereon if materials are presented during the meeting; however, only in matters involving time limits and if, for objective reasons, the information could not be ready on time, or if all the members of the Supervisory Board agree so. In all other cases, the Supervisory Board may decide – depending on the importance of the materials and resolution – to consider the agenda item in the next meeting.

With due regard to the principle of uniform information for all members of the Supervisory Board, any additional information and documentation specifically requested by any member of the Supervisory Board must be posted on the Company's intranet.

Article 27

English translations of meeting notices, agendas and materials are made available to members of the Supervisory Board on the Company's internet portal as soon as reasonably possible after the postings

are made in the Slovenian language. A member of the Supervisory Board may propose that certain materials are not fully translated into English, indicating only the specific parts to be translated.

Article 28

Materials for Supervisory Board meetings convened on the request of the Company's management board or the Supervisory Board members are prepared by the professional staff of the company. The management board is responsible for the quality of the materials.

The materials prepared by the Company's professional staff must be understandable and content-focused. Each table must have an explanation or be accompanied by commentary, except where figures or trends may be read directly from tables as part of a report.

In all other cases, the materials shall be prepared by the person proposing or requesting that a meeting be called.

Article 29

Materials that are the basis for the adoption of any resolution of the Supervisory Board must include a proposed resolution, including reference to:

- S** who the proposer of the resolution is;
- S** any legal basis or other procedural or professional basis for the adoption of the resolution;
- S** the wording of the proposed resolution;
- S** reasons for the proposed resolution;
- S** if necessary, the name of the entity to implement the resolution and the time limit.

Materials must include an indication of who they were prepared by.

Materials must be signed.

Article 30

Notwithstanding the provision of article 26, meeting materials are made available in hard copy at the request of a member of the Supervisory Board.

3.5 Presiding over and conducting meetings

Article 31

Supervisory Board meetings are presided over by the chair. If the chair is not available or absent, the meeting is presided over by the deputy chair. A meeting cannot be held without the participation of either of them.

Article 32

Before the beginning of a meeting, the chair or deputy chair of the Supervisory Board shall establish if there is a quorum.

The Supervisory Board is quorate if a majority of its members are present when resolutions are taken, provided that all members have been invited in a proper and timely manner. Either the chair or the deputy chair must be among the Supervisory Board members present.

Article 33

If the Supervisory Board meeting does not have a quorum, it is normally postponed for seven (7) days; alternatively, the members present may resolve that the absent members are proposed that the meeting be carried out as a correspondence meeting.

Article 34

The Supervisory Board shall decide on the agenda, taking into account the amendments, by taking a vote.

The work of the Supervisory Board is conducted by proceeding from one agenda item to the next.

Materials relating to agenda items are presented by the management board or another person designated by the chair of the Supervisory Board.

Article 35

The chair or deputy chair of the Supervisory Board shall give the floor to the proposer of the resolution or rapporteur (presenter) of an agenda item, who may also be called upon before the end of the deliberation of any agenda item to provide additional clarification.

Article 36

The chair shall give the floor to the speakers at the meeting in the order in which they have asked to speak.

Speakers may at any time raise a point of order. When the speaker finishes, the chair shall provide a clarification on the breach of these rules of procedure or agenda. If a speaker is not satisfied with the clarification given, the Supervisory Board shall immediately decide by special vote whether there has been a breach.

If a speaker asks to speak in order to correct a statement that the speaker believes is inaccurate and has led to a misunderstanding or requires personal clarification, the chair shall give the speaker the floor as soon as the person necessitating the correction finishes speaking.

Article 37

Speakers may only discuss matters that are on the agenda. If a speaker departs from the subject matter on the agenda, the chair shall call the speaker to order. If after having called a speaker to order for a second time, the speaker does not keep to the agenda, the chair may withdraw the speaker's right to speak.

The debate of any Supervisory Board member and invited participant is typically limited to a maximum of ten (10) minutes.

Article 38

The chair is responsible for order during the Supervisory Board meeting.

3.6 Decision making in meetings

Article 39

The Supervisory Board adopts resolutions in its meetings.

After the deliberation of any individual agenda item is completed, the chair or deputy chair of the Supervisory Board shall ask members to decide on the matter.

Supervisory Board members shall vote on proposed resolutions by a show of hands, or secret ballot if requested by two-thirds of the members of the Supervisory Board.

Each Supervisory Board member has one (1) vote. To be valid, a vote must be either "for" or "against".

Article 40

Supervisory Board resolutions are taken by a majority of the votes cast by Supervisory Board members. In case of a tied vote, the chair – or the deputy chair if the chair is absent – has a casting vote.

Resolutions become effective immediately upon their adoption unless provided otherwise by the resolution.

Resolutions in correspondence meetings are taken by a majority of the votes cast.

Article 41

If a member of the Supervisory Board, for justifiable reasons, cannot attend a meeting in person, the member may attend the meeting by voting in writing or by using other technical means, whereby for a cast vote to be valid, it must be received by the chair of the Supervisory Board no later than by the end of the decision-making process relating to any resolution. Any vote cast in the manner described in the preceding paragraph is valid provided the Supervisory Board member has received, with the notice of the meeting, a proposed resolution that, after its deliberation in the Supervisory Board meeting, has been put to the vote unchanged in form and content.

The provisions of the preceding paragraph of this article shall also apply *mutatis mutandis* in cases where a Supervisory Board member leaves any Supervisory Board meeting before its end due to urgent matters.

Article 42

Any resolution adopted is recorded in the meeting minutes of the form and content as adopted in the meeting.

Article 43

When voting, Supervisory Board members shall first consider the interests of the Company before any personal interests or interests of third parties, the management board, shareholders, the public or the state.

If any Supervisory Board member has a conflict of interest relating to any agenda item, this member shall explain the conflict of interest and abstain from voting.

If the chair of the Supervisory Board has reasonable grounds to believe that there is a conflict of interest, the chair may require, before taking a vote, that Supervisory Board members declare whether they have any conflicts of interest relating to the matter put to the vote.

The fact that a Supervisory Board member has abstained from voting due to a conflict of interest, including any explanation or statement given by the member in this regard, must be recorded in the meeting minutes of the Supervisory Board.

Article 44

Members of the Supervisory Board shall not vote on matters that are directly related to them. In such cases such a member shall only be counted when establishing whether there is a quorum, and not relating to the validity of resolutions.

Article 45

In correspondence meetings, Supervisory Board members shall vote using the ballots they have received before the meeting along with the meeting materials. Regarding the validity of decisions, the preceding articles of these rules of procedure shall apply.

Article 46

If a regular Supervisory Board meeting is called in order to decide on matters set out in article 20 of these rules of procedure and a member of the Supervisory Board cannot attend due to urgent matters, such a member may – upon communicating their non-attendance – vote in writing or via telephone.

3.7 Session minutes

Article 47

Meeting minutes are taken in every Supervisory Board meeting.

In each meeting, the Supervisory Board shall designate a minute taker upon the proposal of the Company's management board. The minutes may be taken by an attending member if so decided by the Supervisory Board.

In correspondence meetings, the meeting minutes are taken by the person designated by the management board for the technical implementation of the correspondence meeting.

Supervisory Board meetings may be audio recorded to facilitate the taking of minutes. These recordings shall be deleted after meeting minutes are adopted.

Article 48

Meeting minutes must contain the following:

- S** an indication that they are minutes of a Supervisory Board meeting;
- S** the sequence number of the meeting;
- S** location, room, meeting date, opening and closing time, and any suspension;
- S** a list of attendees;
- S** the adopted agenda;
- S** the establishment of a quorum;
- S** the course of the meeting with an indication of the attendees in discussions and short discussion summaries, statements that Supervisory Board members explicitly request that they be entered in the minutes, final wording of adopted resolutions for each agenda item, and the voting result for each proposed resolution;
- S** the signature of the chair or deputy chair of the Supervisory Board and the minute taker.

Article 49

The full meeting minutes shall be completed and submitted for consideration and reconciliation no later than fifteen (15) days after the meeting. If required, an extract of the minutes is prepared immediately after the end of the meeting or on the next day.

As a rule, the Supervisory Board formally approves the minutes at the first following meeting.

In case of any discrepancy between the minutes in the Slovenian language and the translation, the Slovenian wording shall prevail.

Article 50

The Supervisory Board meeting minutes shall be archived in the office of the management board in compliance with legal provisions, the Company's acts and instructions regulating the safeguarding of business secrets and Company documents.

Article 51

Once the minutes of the Supervisory Board meeting have been adopted, the recording shall be destroyed unless the Company must submit a transcript to the regulator or the minutes have not been adopted by way of consensus by all the Supervisory Board members present in the meeting when the minutes are considered for approval.

Each member of the Supervisory Board has the right to inspect the archived minutes and transcripts of Supervisory Board meetings where they have not been destroyed. In the event of an intended inspection, a Supervisory Board member shall inform thereof the chair of the Supervisory Board. In the following Supervisory Board meeting, the chair of the Supervisory Board shall inform the Supervisory Board about the inspection of the Supervisory Board member or any inspection or submission of meeting minutes or transcripts to third parties.

4 SUPPORT TO THE OPERATION OF THE SUPERVISORY BOARD

Article 52

The Company shall provide the Supervisory Board with all necessary and sufficient human and financial resources to perform their tasks and other duties.

Article 53

Members of the Supervisory Board shall receive compensation for their work and other allowances relating to their serving on the Supervisory Board in accordance with the resolution of the general meeting.

Article 54

The Company shall provide the Supervisory Board members with any training required for them to successfully execute their responsibilities.

Article 55

The Supervisory Board shall be entitled to obtain, at the Company's expense, additional required legal and other expert advice or opinions from independent external advisers on issues that fall within the terms of reference of the Supervisory Board.

Article 56

The Supervisory Board shall prepare a budget with allocations for the training and obtaining of opinions from independent external advisers as part of the Company's regular annual cost planning.

Article 57

External members of Supervisory Board committees are entitled to remuneration for the performance of their function and reimbursement of expenses incurred in relation to their work on the Supervisory Board committee in accordance with the contracts concluded with them by the Company and with the prior approval of the Supervisory Board.

The contract referred to in the previous paragraph shall contain a clause on the protection of business secrets and inside information and shall be subject to the system and amount of remuneration to be paid and expenses to be reimbursed to members of the Supervisory Board for the performance of their function as a member or chair of a Supervisory Board committee. Notwithstanding the previous sentence, remuneration and reimbursement of expenses may, by way of exception, deviate from the

established scheme and the amount of remuneration to be paid and expenses to be reimbursed to members of the Supervisory Board for the performance of their function as a member or chair of a Supervisory Board committee, if there are reasons to justify such deviation.

4.1 Secretary of the Supervisory Board

Article 58

Upon the proposal of the Company's management board, the Supervisory Board may appoint a secretary of the Supervisory Board responsible for the legal, professional-administrative and technical tasks related to the work of the Supervisory Board. To this end, the secretary shall work with the chair of the Supervisory Board and the Company's management board in the preparation of meetings, attend Supervisory Board meetings, draft minutes of Supervisory Board meetings, ensure the proper flow of information between members of the Supervisory Board, maintain the Supervisory Board's archive and perform other tasks in accordance with the orders and instructions of the chair of the Supervisory Board. In case the Supervisory Board secretary is absent, the secretary's tasks shall be performed by a person authorised therefor by the management board. Individual Supervisory Board members may also work with the Supervisory Board secretary when the Supervisory Board is not in session.

5 PUBLIC COMMUNICATION OF DECISIONS ADOPTED IN MEETINGS

Article 59

Decisions adopted in Supervisory Board meetings are communicated to the public by the Company or its public relations officer. The Company's professional staff shall prepare, in advance, a press release on the subject of the relevant meeting and resolutions adopted by the Supervisory Board. The Supervisory Board shall take note of the text at the relevant meeting and approve it or offer proposals for corrections thereto. The Company's professional staff shall communicate the final version of the press release through the regular and prescribed public communication channels.

If necessary, the chair of the Supervisory Board shall directly inform the public of the resolutions adopted by the Supervisory Board.

6 CONCLUSION OF CONTRACTS

Article 60

The Supervisory Board must approve all agreements and contracts on advisory and other services related to the cooperation between a Supervisory Board member and the Company and its related company; otherwise, the Supervisory Board member shall return the gains from such a contract to the Company.

7 SUPERVISORY BOARD COMMITTEES

Article 61

In accordance with the law the Supervisory Board may form, by way of resolution, one or more committees that consider previously determined areas, analyse specific issues, draft resolutions of the Supervisory Board and ensure their implementation, and perform other professional tasks to provide professional support to the Supervisory Board. Irrespective of the appointment of a committee, decision making remains within the power of the Supervisory Board.

Committee powers, terms of reference and tasks are laid down by law, these rules of procedure or by resolution of the Supervisory Board. In line with its terms of reference, a committee has the right to obtain required information and the right to obtain expert opinions related to the issues within its terms of reference.

Only adequately qualified and proper members of the Supervisory Board, external experts or employees may be appointed as committee members. Committee members shall have such professional and personal qualities that enable them to produce high-quality and independent work, and especially:

- S independence,
- S time available for work on the committee,
- S sufficient expertise in the professional subject-field dealt with by the committee.

Article 62

The Company has established the following Supervisory Board committees:

- S the audit committee,
- S the risk committee,
- S the nominations and remuneration committee,
- S the fit and proper committee.

Article 63

Each committee may adopt its own rules of procedure. If a committee has no own rules of procedure, the rules of procedure of the Supervisory Board apply *mutatis mutandis*, for any questions regarding the quorum, decision making and other procedural issues.

Article 64

A committee shall consist of the chair and at least two members. At least one member of the committee shall be a member of the Supervisory Board. The chair is appointed by the Supervisory Board from among its members.

Article 65

The term of office of the committee members shall extend to the end of the term of office of at least half of the members of the Supervisory Board who were Supervisory Board members at the time the relevant committee was established, unless otherwise decided by a resolution of the Supervisory Board. If a committee member's term of office as a Supervisory Board member expires, their term of office as committee member also expires.

Article 66

Management board members responsible for the area covering the relevant agenda item are typically also invited to attend committee meetings, unless otherwise decided by the committee. When a committee is considering specific items on the agenda, experts and rapporteurs may also be invited to attend the meeting.

A report on resolutions adopted or any opinions formed by the committee for the Supervisory Board is communicated to the Supervisory Board after each committee meeting.

Article 67

In performing their function, all committee members take account solely of the Company's objectives. The rules on conflicts of interest applicable to Supervisory Board members also apply, *mutatis mutandis*, to external committee members (who are not members of the Supervisory Board). The

Supervisory Board ensures that all external committee members sign a statement binding them to safeguard the confidentiality of data according to the same standards as Supervisory Board members.

7.1 Audit committee

Article 68

The primary tasks of the Supervisory Board's audit committee are:

- S** to oversee the integrity of financial information;
- S** to monitor the efficiency and effectiveness of internal controls, internal audit and risk management systems;
- S** to monitor the statutory audit of independent and consolidated financial statements;
- S** to perform other tasks assigned by a valid resolution of the Supervisory Board, in line with statutory requirements and best practices of comparable companies or insurance groups.

7.2 Risk committee

Article 69

In its operation, the risk committee is bound by the provisions of resolutions of the Supervisory Board, Solvency II Directive, the rules of procedure of the risk committee, the rules of procedure of the Supervisory Board, the insurance act, the Corporate Governance Code for Public Listed Companies and other applicable regulations pertaining to risk management.

7.3 Nominations and remuneration committee

Article 70

The tasks and terms of reference of the nominations and remuneration committee are:

- S** to draft proposals for the Supervisory Board regarding the criteria for membership of the management board, and to consider and draft proposals concerning nominations to be decided by the Supervisory Board;
- S** to preliminarily consider the proposal of the chair of the management board regarding the composition of the management board and the Company's governance before submitting a proposal to the Supervisory Board;
- S** to carry out the nomination procedure for the nomination of any candidate for membership of the Supervisory Board – shareholder representative;
- S** to provide support in drawing up and implementing a system for remuneration, reimbursements and other benefits for management board members;
- S** to support and draft proposals related to the Supervisory Board itself (e.g. conflicts of interest, the drawing up and implementation of a Supervisory Board remuneration system, evaluation of the Supervisory Board's work pursuant to the Corporate Governance Code for Public Listed Companies).

7.4 Fit and proper committee

Article 71

The fit and proper committee shall perform its tasks in accordance with the Company's internal fit and proper policy. The committee shall carry out procedures for assessing the competence of the Supervisory Board, Supervisory Board committees and the management board as collective bodies as

well as for assessing compliance with the fit and proper requirements related to individual members of these bodies. At the request of the Company's workers' council, the fit and proper committee shall carry out a fit and proper assessment of employee representatives on the Supervisory Board that have been elected by the workers' council.

8 FINAL PROVISIONS

Article 72

These rules of procedure are adopted by majority vote of attending Supervisory Board members; the same requirement applies for adopting any subsequent amendments.

Article 73

Any matters not specifically addressed in these rules of procedure are governed directly by the Company's Articles of Association and the law governing commercial companies and insurance companies in the Republic of Slovenia.

Article 74

The Supervisory Board shall review these rules of procedure every two years and, if necessary, propose improvements or amendments.

Article 75

These rules of procedure become effective upon adoption by the Supervisory Board and apply as of 01/09/2020.

Article 76

On the day of the entry into force of these rules of procedure, the Rules of Procedure of Pozavarovalnica Sava, d.d. dated 16 November 2017 cease to be effective.

In Ljubljana, 10/09/2020

Sava Re d.d.
Mateja Lovšin Herič
Chair of the Supervisory Board

