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Sava Re, d.d.  
Dunajska 56  
1000 Ljubljana

Ljubljana, 16 April 2021

**Subject: Counter-proposal of shareholder VZMD to agenda item 3 of the 37th general meeting of shareholders of Sava Re d.d.**

VZMD, a shareholder of Sava Re d.d. (hereinafter: Shareholder-Proposer) hereby files a counter-proposal under article 300 of ZGD-1 – a counter-proposal to proposed resolution no. 3.1 of the 37th general meeting of shareholders of Sava Re d.d., scheduled to be held on Tuesday, 25 May 2021, at 3pm in the Janus 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 2020**

**Proposed resolution no. 3.1:**

“The distributable profit of EUR 23,806,703.97 as at 31 December 2020 is to be appropriated as follows:

EUR 20,147,004.80 is to be appropriated for dividends. The dividend is EUR 1.30 gross per share and is to be paid on 10 June 2021 to the shareholders entered in the shareholders’ register as at 9 June 2021. The remaining distributable profit of EUR 3,659,699.17 is to be left unappropriated.

The proposal for the appropriation of distributable profit is based on the number of own shares as at 31 December 2020. 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, adjusted figures for appropriation of the distributable profit will be proposed to the general meeting of shareholders, while the dividend per share of EUR 1.30 remains unchanged.”

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### **Rationale:**

At VZMD we believe it proper and desirable that the company allocate the majority of its distributable profit for distribution. As the proposer, we believe that the company is capable of paying such a dividend to its shareholders without adverse impacts or otherwise impeding its plans.

In 2019, Sava Re grew its distributable and net profit year on year; nevertheless, it paid no dividends in 2020, contrary to the assurances given by the company's representatives in general meetings over the past years as well as the company's adopted dividend policy of increasing dividends by 10% annually. In addition, Sava Re has set itself a goal that in the period 2020–2022, it would annually distribute between 35% and 45% of the net profit of the Sava Insurance Group. The amount proposed for distribution represents just over 35% of the Group's net profit.

In the light of certain repeated recommendations, requests and even across-the-board orders of some institutions and associations on the non-payment of dividends, VZMD again emphatically states that the decision on dividend distribution is exclusively within the powers of the owners. We have also called upon these institutions and associations which have circulated such notices to publish relevant analyses and information supporting their positions.

As of the time of writing this proposal, we have received no serious analyses that could justify these decisions, which may result in extremely far-reaching, harmful consequences. On the contrary: time has proven that during the corona crisis the company performed even better and could have easily paid out dividends last year, i.e. in respect of 2019!

Sincerely,

mag. Kristjan Verbič  
President of VZMD