

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

Explanation of the proposed resolutions for the 37th general meeting of shareholders of Sava Re

Ad agenda item 1 (management board's explanation):

OPENING THE MEETING, ESTABLISHING A QUORUM AND APPOINTING 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 as convenor, the management board proposes the meeting bodies for election as follows:

- for the chair of the general meeting: Tomaž Bajec, 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.

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Ad agenda item 2 (explanation of the management and supervisory boards):

PRESENTATION OF THE 2020 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 2020 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 that is not the case here.

In the financial year 2020, the supervisory board oversaw the activities of the Company pursuant to its powers and terms of reference and, in its meeting of 7 April 2021, the supervisory board approved the Company's audited annual report as proposed by the management board. Pursuant to the provisions of the Slovenian Companies Act, the supervisory board has prepared a report on its activities in 2020, including an opinion on the audited annual report, which forms an integral part of the annual report. Under this agenda item, the general meeting is presented with the 2020 annual report, including the auditor's opinion and the written report of the supervisory board for the annual report.

Article 294 of the Slovenian Companies Act states that, when deciding on the appropriation of distributable profit, the management board must present information to the general meeting 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 this agenda item, the Company's general meeting takes note of the remuneration of the members of the management and supervisory bodies in 2020, and the information that the remuneration policy for members of supervisory and management bodies of the Sava Insurance Group presented to the 36th general meeting held on 16 June 2020 has not been amended.

Furthermore, the Company's general meeting takes note of the 2020 annual report on internal auditing, including the opinion of the supervisory board thereon, drawn up pursuant to the Slovenian Insurance Act, and of the management board's report on own shares.

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

Explanation of the proposed resolutions for the 37th general meeting of shareholders of Sava Re**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 2020**

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 law requires 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.

The supervisory and management boards have prepared a draft resolution for the general meeting to the effect that shareholders be paid a dividend of EUR 0.85 gross per share, in total EUR 13,173,041.60, or 23.4% of the Group's 2020 net profit.

The management and supervisory boards have drafted the proposal in line with the criteria set by the Insurance Supervision Agency (the Agency). Based on the Agency's strictest criterion, the dividend must not exceed the average dividend paid in the period 2017–2019, which is EUR 0.85 per share. Furthermore, the Agency set a condition that, in order to pay dividends, companies must have made a profit in both the financial years 2019 and 2020, with the parent companies taking into consideration the financial position of both the parent as well as the group of companies they control when deciding on the payment of dividends. The Agency considers the profitability criterion, taking into account the specificities of the business model. The Sava Insurance Group generated a net profit of EUR 50.2 million and EUR 56.4 million in 2019 and 2020, respectively. While Sava Re made a loss in 2020, this is due to a recommendation (issued in 2020) to insurance companies, including Sava Re's subsidiaries, to use a very cautious approach regarding the payment of dividends. If Sava Re had been paid dividends by its subsidiary insurance companies in 2020, it would not have posted an operating loss.

Sava Re is compiling documents for the Agency to demonstrate its financial stability, solvency, liquidity and resilience to stress scenarios (including Covid-19 impacts). The Company has presented evidence to the Agency that it is capable of paying out the proposed dividend because the Group demonstrates a robust solvency position with a solvency ratio of 197% as at 31 December 2020 (the report of the independent auditor has not been issued as of the publication date of this announcement). The Company's solvency ratio stood at 272% as at 31 December 2020. In addition, the Group's investment portfolio includes a large proportion of highly liquid assets.

Under article 294 of ZGD-1, the general meeting decides on the discharge to be granted to the management and the supervisory boards for the financial year 2020.

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 has proposed separate resolutions for each body.

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

Explanation of the proposed resolutions for the 37th general meeting of shareholders of Sava Re**Ad agenda item 4 (explanation of the supervisory board):****ELECTION OF SUPERVISORY BOARD MEMBERS**

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

The terms of office of three members of the supervisory board, Mateja Lovšin Herič, Keith W. Morris and Andrej Kren, are due to expire on 16 July 2021.

Under the Slovenian Companies Act and the Sava Re articles of association, the supervisory board is responsible for proposing to the general meeting candidates for supervisory board members to represent shareholder interests.

The proposal of the supervisory board is based on the proposal by the supervisory board's nominations and remuneration committee dated 8 April 2021, which is a consulting body in the selection of candidates for the supervisory board. The candidates are then proposed by the supervisory board to the general meeting for election.

To ensure further independence and the objectivity of the selection procedure, the committee was assisted by an outside human resources expert.

The supervisory board proposes that the following three candidates be elected as members of the supervisory board:

Keith William Morris, Matej Gomboši and Klemen Babnik.

All the candidates have consented to their nomination and signed statements confirming that there were no circumstances that, under ZGD-1 or the Slovenian Insurance Act, would impede their election. All have signed statements, giving qualifications for each criterion of independence and declaring themselves to be independent within the meaning of the provisions of the Corporate Governance Code for Listed Companies; the statements also include a declaration that the candidates have appropriate qualifications, experience and knowledge for serving on the Company's supervisory board.

All the proposed candidates submitted the full documentation as required under internal fit and proper regulations of relevant persons of Sava Re d.d.

The supervisory board has prepared the proposal of the set of candidates for the supervisory board, taking into consideration the recommendation of diversity of knowledge and expertise, experience and skills so that the supervisory board members will complement each other, while also taking due account of the recommendation to consider diversity of the Sava Re supervisory board's composition in terms of, e.g., sex, age, knowledge, length and type of experience, and education. Furthermore, the proposal takes account of the principle of continuity of the supervisory board's operation.

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

It is proposed to the general meeting that the three new members of the supervisory board start their terms of office after the expiry of the terms of office of the current supervisory board members, i.e. on 17 July 2021. The terms of office of all the new supervisory board members run for four years, in accordance with the Company's articles of association, starting from the date the candidate starts the term of office.

Pursuant to paragraph 3 of article 274 of ZGD-1 and given that Sava Re d.d. is a listed joint-stock company trading on the prime market of the Ljubljana Stock Exchange d.d., it is proposed that the general meeting take a separate vote for each supervisory board member candidate.

Brief presentation of candidates:

Keith William Morris (born 1948) is a British citizen. He retired from full-time employment in 2010. He graduated with a bachelor's degree in management sciences, specialising in finance and marketing. For most of his career, he worked in finance. From 1989 until his retirement, he worked in chief executive roles, mostly in insurance and within large groups, such as the Eagle Star Group, American International Group (AIG), Allianz Group and RBS Insurance (Direct Line Group). From 2003 to 2008, he served as a non-executive director of Standard Life Bank and Standard Life Insurance Company, and he has also served in non-executive roles with six other small organisations. He has served on the Sava Re supervisory board since 2013. He is also the chair of the Sava Re supervisory board's risk committee, a member of its nominations and remuneration committee, and a member of its fit and proper committee. If he is elected by the general meeting, Keith William Morris will start his third consecutive term of office.

Matej Gomboši (born 1975) holds a PhD in computer and information science. In 2016, he joined the Financial Administration of the Republic of Slovenia as the head of IT development and maintenance. He started his carrier in 1998 as an IT assistant and senior IT researcher at the Faculty of Electrical Engineering and Computer Science of the University of Maribor. His track record of executive positions also includes the position of deputy managing director of IT at Electro Slovenija d.o.o., where he was in charge of coordinating major multi-division projects. He also has leadership experience in local self-government and international experience with the Council of Europe. From 2011 to 2016, he served as chairman on the supervisory board of the Sinergija Development Agency. If he is elected by the general meeting, Matej Gomboši will start his first term of office.

Klemen Babnik (born 1983) is a university graduate lawyer. Since March 2020, he has been employed with the Slovenian Ministry of Infrastructure. He started his career in the judiciary and continued in state administration. He took a course in corporate governance at Harvard University in the United States. Since 2014, he has gained experience in various executive positions in state administration. Since 2020, he has served as the chairman of the supervisory board and a member of the audit committee of DRI, Investment Management, d.o.o. If he is elected by the general meeting, Klemen Babnik will start his first term of office.

The Supervisory Board
of Sava Re d.d.