



Rules on sponsorship and donations

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On the basis of article 2 of the "Rules of procedure of the management board of Sava Re d.d.", the Management Board of Sava Re d.d. adopted, at its 55th regular meeting of 15 September 2020, the following:

RULES ON SPONSORSHIP AND DONATIONS

1 INTRODUCTORY PROVISIONS

The document includes the policies of Sava Re d.d. (hereinafter: the Company) regarding donations and sponsorship.

The Company nurtures common values that are reflected in a positive work environment, sound business culture and lasting relationships. By definition, insurance is the provision of economic security through risk-spreading techniques, which is why we are building a friendly and responsible relationship with the environment and the broader community. With commitment and seeking continuous progress, we work to improve the security and quality of life. We also contribute to the natural and social environment through donations and sponsorship, supporting areas and projects aligned with our mission and vision.

The purpose of these Rules on sponsorship and donations (hereinafter: Rules) is the definition of areas that the Company supports through sponsorship and donations and of rules and procedures for planning and allocating funds.

2 DEFINITION OF SPONSORSHIP AND DONATIONS

Sponsorship is a business partnership involving contractually defined mutually beneficial cooperation. Sponsors generally use sponsorship to promote their brands. In terms of corporate tax, sponsorship money is tax deductible, but with regard to value added tax, the sponsored party conducts a commercial activity, meaning that value added tax is due.

Giving donations is an act of charity and is a non-commercial activity. Donations are given without return consideration. Donations may reduce the donor's tax base for corporate tax. Value added tax, however, is not due. If the recipient is a legal person, such income is not taxable.

In line with the Company's mission and principles, and based on the above, it is the Company's policy that its preferred areas and projects are predominantly supported through donations.

In sponsorship, the Company's primary aim is to raise its profile and strengthen its brand in order to achieve its business goals.

The Company will take decisions regarding the form and manner of cooperation on a case by case basis, possibly by a resolution of the management board.

3 PLANNING OF DONATION AND SPONSORSHIP SPENDING

In line with the process of preparing the annual and strategic plans, the office of the management board and compliance is the unit to prepare the annual plan of donation and sponsorship spending.

The planned expenses are part of the Company's annual business and financial plan, which requires the approval of the Company's management board and consent by its supervisory board.

4 DONATION AND SPONSORSHIP TARGET AREAS

The Company promotes social responsibility as part of its sustainable development process, raising its profile; it conducts business in an ethical way, seeking to "give back" to the environment. The

Company's sustainable development strategy focuses primarily on promoting universal health and well-being, which a central global sustainable development goal (UN SDG).

Thus the Company primarily supports and invests in the following areas:

- S** health, preventive healthcare, promotion of healthy lifestyles and activities contributing to the improvement of overall well-being,
- S** development and education (focus on marginal groups and individuals),
- S** charity and social security (focus on marginal groups and individuals),
- S** ecology,
- S** areas that drive the growth and development of the economy, especially start-ups that develop innovative solutions.

4.1 Donation areas

- S** health and preventive healthcare (of marginal groups and individuals), including preventive action,
- S** charitable causes and social security (of marginal groups and individuals), including preventive action,
- S** ecology, including preventive action,
- S** development of science,
- S** education,
- S** social protection (disaster relief), including preventive action,
- S** congresses, conferences and other business events (including those with own professional and material contributions).

4.2 Sponsorship areas

- S** congresses, conferences, business and professional/scientific events (including those with own professional and material contributions),
- S** research and development, education,
- S** arts, sports and recreation,
- S** activities promoting preventive action based on universal safety and protection of property, health and life.

4.3 Areas not supported by the Company

- S** political parties or individual politicians,
- S** organisations supporting racial, sexual, religious and/or any other form of discrimination,
- S** projects that are offensive or ethically or morally objectionable.

The Company does not make remittances of donations to natural persons.

At the end of each year, the Company intends to make a major donation to a selected charity using funds earmarked for donations or any unspent funds planned for business gifts.

Employees give proposals for this kind of donation and vote on it. The office of the management board and compliance is responsible for carrying out the procedure and for submitting a donation proposal to the management board, including details on donee and level of donation. Based on a management board resolution and in line with these Rules, a contract is signed with the recipient and funds are remitted based thereon.

5 SELECTION AND PAYMENT PROCEDURE

The office of the management board and compliance shall collect applications for donations and sponsorship, as a rule, in electronic form, sent by email using the form published on the Company's website.

Applications are reviewed and potential recipients of funds selected by the donations and sponsorship committee, appointed by a resolution of the management board and which discharges its role in an autonomous and impartial way. If a conflict of interest arises in the decision-making process for any sponsorship or donation, the committee member who may be subject to the conflict of interest is to exclude him- or herself and abstain from discussing and voting on the sponsorship or donation.

Four times a year, after the close of each quarter, the committee reviews all applications submitted until the last day of the quarter. The committee may, exceptionally, meet between two regular sessions if required due to a tight schedule or other valid reasons.

When deciding on the allocation of sponsorship funds, the committee shall consider the Company's annual financial plan and the principles: principle of proportionality (between the amount of allocated funds and the financial situation of the Company), the principle of objective justification for sponsoring in view of expected benefits for the Company and the principle of sufficient diversification.

When deciding on the allocation of donations, the committee shall consider criteria such as: alignment of the applicant's activity with the activities of the Company, qualifications of the applicant, the quality of the applicant's needs identified, relevance of the applicant's objectives.

When awarding sponsorship funds, the committee shall consider in particular the following criteria: attendance of event, relevance and possibility for cooperation, media coverage and advertising, venue and profile of project or event.

The committee shall prepare selection proposals for the management board. The management board shall decide on the selection proposal by resolution.

The office of the management board and compliance shall inform applicants of selection decisions by the last day of the month following the end of each quarter, or within a period determined by the management board.

Each person allocated sponsorship or donation funds is to sign a written contract reviewed by the compliance function holder and initialled and signed in line with the Company's rules on signing and use of stamp. The standard form donor and sponsorship agreements are appended and form an integral part of these Rules.

The system of allocating sponsorship and donations is to be posted on the Company's website.

6 ARCHIVING

Applications, contracts and supporting evidence is to be maintained in electronic form in the archive of the office of the management board and compliance.

Access to donations and sponsorship contracts is provided to:

-  the Company's management board,
-  the director of the management board and compliance,
-  the members of the donations and sponsorship committee,
-  persons who have the right to supervision by law or based on their employment contract or the internal acts of the Company,
-  other persons based on authorisations granted.



7 DISCHARGING OBLIGATIONS UNDER CONTRACTS

Obligations arising from donation or sponsorship agreements are settled by transfer to the bank account of the contracting party indicated in the agreement. Payments to natural persons are not allowed.

8 MONITORING USE OF FUNDS AND REPORTING

Donations and sponsorship funds spent are overseen by the office of the management board and compliance.

The office of the management board and compliance shall immediately notify the management board upon reaching or exceeding the limit of funds planned for donations and sponsorship.

Each year by the end of February, the office of the management board and compliance shall prepare and submit to the management board a report on all donation and sponsorship money granted in the previous calendar year. The Company's management board is to take notice of the report.

9 FINAL PROVISIONS

These Rules become effective and applicable as of 15 September 2020.

Once these Rules come into force, the rules on sponsorship and donations dated 24 April 2018 cease to be effective.

Ljubljana, 15 September 2020

Management Board of Sava Re d.o.o.





Marko Jazbec
Chairman of the Management Board

Peter Skvarča
Member of the Management Board

Jošt Dolničar
Member of the Management Board

Polona Pirš Zupančič
Member of the Management Board

APPENDICES

-  Standard donor agreement
-  Standard sponsorship agreement