



**Directors' remuneration
report of Sava Re d.d.
for the financial year 2023**

Contents

- 1 Information on the results of the general meeting vote on the remuneration report for 2022 . 3**
- 2 Introduction to the remuneration report for 2023 3**
- 3 Remuneration of members of the supervisory body 5**
 - 3.1 Introduction 5
 - 3.2 Composition of the supervisory board in 2023 5
 - 3.3 Remuneration of the members of the supervisory board and its committees in 2023 6
 - 3.4 Comparison of supervisory board members’ remuneration in the last five years 9
- 4 Remuneration of the members of management bodies 10**
 - 4.1 Introduction 10
 - 4.2 Composition of the management board in 2023..... 10
 - 4.3 Remuneration of management board members in 2023 11
 - 4.3.1 Fixed remuneration (base salary)..... 11
 - 4.3.2 Variable remuneration 11
 - 4.3.3 Relative proportion of fixed and variable remuneration 13
 - 4.3.4 Relative proportion of financial and non-financial criteria in variable remuneration 13
 - 4.3.5 Payment of the retained portion of variable remuneration to management board members 13
 - 4.3.6 Termination benefit..... 13
 - 4.3.7 Benefits and other entitlements of management board members..... 13
 - 4.3.8 Annual change in remuneration, Company performance and average employee remuneration 15
 - 4.3.9 Remuneration from other Sava Insurance Group members..... 16
 - 4.3.10 Shares and stock options..... 16
 - 4.3.11 Reclaimed variable remuneration 16
 - 4.3.12 Financial benefits, taxes and contributions, and services..... 16
- 5 Independent auditor’s assurance report with limited assurance 17**

In accordance with Article 294b of the Slovenian Companies Act (Official Gazette of the Republic of Slovenia, No. 42/2006, as amended; ZGD-1), Sava Re d.d., Dunajska 56, 1000 Ljubljana, has compiled this

DIRECTORS' REMUNERATION REPORT OF SAVA RE D.D. FOR 2023

1 Information on the results of the general meeting vote on the remuneration report for 2022

The management and supervisory boards submitted for approval to the 39th general meeting of shareholders of Sava Re d.d. held on 5 June 2023 the Directors' Remuneration Report of Sava Re d.d. for the Financial Year 2022. 12,321,098 votes were cast, representing 71.55% of the share capital. Of these, 12,254,514 or 99.460% were in favour, and 66,584 or 0.540% were against. There were 89 abstentions.

2 Introduction to the remuneration report for 2023

General information

Directors' Remuneration Report of Sava Re d.d. for 2023 (the Remuneration Report) is a stand-alone document and provides a comprehensive overview of the remuneration of the Company's management and supervisory bodies, including all benefits in any form granted or payable during the last financial year to individual members during their term of office in accordance with the remuneration policy. All figures presented in the Remuneration Report are consistent with those presented in the audited annual report of the Sava Insurance Group and Sava Re for 2023. All amounts in this Remuneration Report are stated in euros and are gross.

The Remuneration Report has been reviewed and approved by the management and supervisory boards of Sava Re.

Preparation of the Remuneration Report

Legal basis of the Remuneration Report

Pursuant to Article 294a of ZGD-1, which entered into force on 24 August 2021 in accordance with Article 71(4) of the Amendment to ZGD-1K (Official Gazette of the Republic of Slovenia, No. 18/2021), every company whose securities are traded on a regulated market must prepare a remuneration policy.

In accordance with this provision, Sava Re prepared a new Remuneration Policy for Members of Management and Supervisory Bodies of Sava Re d.d. (the Remuneration Policy) in 2023. This revised Remuneration Policy has been aligned with the provisions of Article 294a of ZGD-1, the guidelines for designing remuneration policies of the Slovenian Directors' Association¹ and SSH's recommendations for designing remuneration policies for the management bodies of state-owned companies².

Key highlights of the Remuneration Policy revised in 2023:

¹ <https://www.zdruzenje-ns.si/knjiznica>

² Recommendation no. 9 (<https://www.sdh.si/en-gb/>).

- Variable remuneration:
 - sustainability goals are included among the qualitative criteria for determining the level of variable remuneration.
 - Annual variable remuneration of a management board member is increased from a maximum of 50% to a maximum of 55% of his or her fixed annual remuneration.
- Temporary deviation from the Remuneration Policy:
 - Section 4 “Temporary deviation from the Remuneration Policy” now also defines the components of remuneration for which a temporary deviation from the adopted policy may occur.

The Remuneration Policy, as revised in 2023, does not differ from the remuneration policy guidelines submitted for approval to the 38th general meeting of shareholders in 2022 with regard to the type, content and maximum level or range of remuneration of the members of management and supervisory bodies.

Result of the general meeting vote on the proposed Remuneration Policy (2023)

The management and supervisory boards submitted the Remuneration Policy to the 39th general meeting of shareholders (held on 5 June 2023) for approval. The proposed resolution to approve the Remuneration Policy was not carried. 12,320,461 votes were cast in this advisory vote, representing 71.55% of the share capital. Of these, 5,272,347 or 42.793% were in favour, and 7,048,114 or 57.207% were against. There were 726 abstentions.

Validity of the Remuneration Policy if not approved by the general meeting

The Remuneration Policy submitted to the 39th general meeting (held on 5 June 2023) complies with the law and is in force. The general meeting vote on the Remuneration Policy was an advisory vote, which means that the Company may apply the Remuneration Policy but must put a revised policy to a vote at the next general meeting. All payments to the members of the management and supervisory bodies on the basis of the Remuneration Policy adopted by the management and supervisory boards of Sava Re in 2023 and submitted for approval to the 39th general meeting (held on 5 June 2023) are legally valid.

Additional information on the preparation of this Remuneration Report

Pursuant to the provisions of Article 294b of ZGD-1, Sava Re has prepared this Remuneration Report in accordance with the Remuneration Policy submitted to the 39 general meeting (held on 5 June 2023).

The Company fully complied with its Remuneration Policy regarding payments to the management and supervisory boards throughout the past year.

There were no deviations from the Remuneration Policy in 2023.

Performance highlights of the Sava Insurance Group and Sava Re d.d. for 2023

In 2023, the Sava Insurance Group increased its business volume by 14.4% to EUR 910.1 million. The net profit of EUR 64.7 million was a 37.8% increase over the previous year and better than planned. Return on equity was 10.8%, exceeding the target.

The performance highlights of the Sava Insurance Group and Sava Re d.d. are set out in the Company’s public announcement of 7 March 2024 and are also available via the SEOnet information system (https://seonet.ljse.si/default_en.aspx?language=en) and from the Company’s official website (<https://www.sava-re.si/en-si/>).

Review of the Remuneration Report

The Remuneration Report has been reviewed by Deloitte Revizija d.o.o., Dunajska Cesta 165, 1000 Ljubljana, who have also audited the 2023 financial statements of Sava Re and the Sava Insurance

Group. The auditor has prepared a special report on the review of the Remuneration Report, which is an integral part of this report.

Submission of the Remuneration Report to the general meeting

The Company will submit the Remuneration Report to the shareholders for approval at the next general meeting of Sava Re (scheduled for 27 May 2024).

Publication of the Remuneration Report

After the general meeting of Sava Re will vote on the Remuneration Report (scheduled for 27 May 2024), the report will be posted on the Company's website, where it will remain publicly available for at least ten years. Ten years after publication, public access to the personal data of the members of the management and supervisory bodies in the Remuneration Report will no longer be possible.

Information on the preparation of an updated Remuneration Policy for members of management and supervisory bodies

Due to the negative vote, the Company will revise the Remuneration Policy and resubmit it to the shareholders for approval at the next ordinary general meeting of Sava Re (scheduled for 27 May 2024).

3 Remuneration of members of the supervisory body

3.1 Introduction

The supervisory body is defined under the applicable ZGD-1 and the Company's applicable articles of association. Under the Company's articles of association, the supervisory body of Sava Re is a six-member supervisory board.

The term "supervisory board member" used in this report is a uniform term for both the "chairman of the supervisory board" and any "member of the supervisory board", unless specific reference is made to the chairman of the supervisory board.

Where masculine pronouns are used in the Slovenian wording for a supervisory board member, they are deemed to be understood to relate to both men and women.

The supervisory board members are entitled to (1) remuneration for performing their function, (2) attendance fees and (3) reimbursement of agreed expenses. The members of the supervisory board do not receive any remuneration other than that stated and do not participate in the profits of the Company, except for the employee representatives on the supervisory board, who, in addition to remuneration for the performance of their function, attendance fees and reimbursement of other expenses, also receive income from their employment with the Company.

The amount of remuneration of supervisory board members was set by a resolution of the 31st general meeting of Sava Re shareholders, held on 30 August 2016. The general meeting resolution is available at the following link: <https://www.sava-re.si/en-si/investor-relations/shareholder-meetings/>.

3.2 Composition of the supervisory board in 2023

The composition of the supervisory board and its committees changed in 2023.

The term of office of Andrej Gorazd Kunstek and Edita Rituper, members of the supervisory board (employee representatives), expired on 12 June 2023. The works council reappointed Edita Rituper for a four-year term of office, and Blaž Garbajs was appointed as the second employee representative, his first term of office on the supervisory board. Both the appointed members began their new terms of office on 13 June 2023.

The term of office of Andrej Gorazd Kunstek as a member of two supervisory board committees expired at the same time as his term of office on the supervisory board. The supervisory board appointed Edita Rituper as a new member of the nominations and remuneration committee and Blaž Garbajs as a new member of the audit committee. Both took office as members of the supervisory board committees on 13 June 2023. At the end of December, the supervisory board also appointed Blaž Garbajs as an additional member of the nominations and remuneration committee.

The composition of the supervisory board and its committees in 2023 are disclosed in detail in the Company's 2023 annual report, section 4 "Report of the supervisory board".

Composition of the supervisory board in 2023

Member	Title	Beginning of term of office	Duration/expiry of term
Davor Ivan Gjivoje Jr	chairman	8 March 2021	8 March 2025
Keith William Morris	deputy chairman	17 July 2021	17 July 2025
Klemen Babnik	member	17 July 2021	17 July 2025
Matej Gomboši	member	17 July 2021	17 July 2025
Andrej Gorazd Kunstek	member, employee representative	12 June 2019	12 June 2023
Edita Rituper	member, employee representative	1 January 2022 13 June 2023	12 June 2023 13 June 2027
Blaž Garbajs	member, employee representative	13 June 2023	13 June 2027

The memberships of the supervisory board members in the individual committees of the supervisory board and their attendance at the meetings of the supervisory board and those of its committees are detailed in the 2023 annual report, section 5 "Corporate governance statement".

3.3 Remuneration of the members of the supervisory board and its committees in 2023

Data on the nominal amounts received by each of the supervisory board members and those of its committees in the 2023 financial year are given in table 1. For each member of the supervisory board or its committees, the upper row refers to the remuneration for the 2023 financial year, and the lower row to the remuneration for the comparable 2022 financial year.

Table 1: Remuneration of the members of the supervisory board and its committees in 2023 and 2022

Full name, function (chair, deputy, member, external member of the committee), term of office	Year	(1) Remuneration for performing the function		(2) SB and committee attendance fees		(3) Total disbursement (1 + 2)	(4) Travel expenses*	(5) Remuneration from any Group company
		SB	committees	SB	committees			
Members of the supervisory board (SB)								
Davor Ivan Gjivoje Jr, SB chairman	2023	19,500	0	2,695	0	22,195	78,006	0
	2022	19,500	0	2,915	0	22,415	38,329	0
Keith William Morris, SB deputy chairman	2023	14,300	0	2,695	0	16,995	6,763	0
	2022	14,300	0	2,915	0	17,215	4,991	0
Klemen Babnik, SB member	2023	13,000	0	2,695	0	15,695	270	0
	2022	13,000	0	2,915	0	15,915	128	0
Matej Gomboši, SB member	2023	13,000	0	2,695	0	15,695	2,437	0
	2022	13,000	0	2,915	0	15,915	1,640	0
Gorazd Andrej Kunstek, SB member (until 12 June 2023)	2023	5,850	0	1,375	0	7,225	0	0
	2022	13,000	0	2,915	0	15,915	325	0
Edita Rituper, SB member	2023	13,000	0	2,695	0	15,695	84	0
	2022	13,000	0	2,915	0	15,915	81	0
Blaž Garbajs, SB member (from 13 June 2023)	2023	7,150	0	1,320	0	8,470	84	0
	2022	0	0	0	0	0	0	0
Members of the audit committee (AC)								
Matej Gomboši, AC chairman	2023	0	4,875	0	1,980	6,855	2,161	0
	2022	0	4,875	0	2,596	7,471	1,735	0
Gorazd Kunstek, AC member (until 12 June 2023)	2023	0	1,462	0	1,100	2,562	0	0
	2022	0	3,250	0	2,596	5,846	271	0
Blaž Garbajs, AC member (from 13 June 2023)	2023	0	1,787	0	880	2,667	0	0
	2022	0	0	0	0	0	0	0
Katarina Sitar Šuštar, external AC member	2023	0	7,725	0	0	7,725	179	0
	2022	0	10,625	0	0	10,625	107	0
Dragan Martinović, external AC member	2023	0	6,825	0	0	6,825	0	0
	2022	0	6,851	0	0	6,851	0	0
Members of the nominations and remuneration committee (NRC)								
Klemen Babnik, NRC chairman	2023	0	4,875	0	660	5,535	57	0
	2022	0	4,875	0	1,100	5,975	22	0
Davor Ivan Gjivoje Jr, NRC member	2023	0	3,250	0	660	3,910	23,854	0
	2022	0	3,250	0	1,100	4,350	25,258	0

Full name, function (chair, deputy, member, external member of the committee), term of office	Year	(1) Remuneration for performing the function		(2) SB and committee attendance fees		(3) Total disbursement (1 + 2)	(4) Travel expenses*	(5) Remuneration from any Group company
		SB	committees	SB	committees			
Members of the nominations and remuneration committee (NRC)								
Keith William Morris, NRC member	2023	0	3,250	0	660	3,910	2,045	0
	2022	0	3,250	0	1,100	4,350	2,316	0
Matej Gomboši, NRC member	2023	0	3,250	0	660	3,910	720	0
	2022	0	3,250	0	1,100	4,350	735	0
Gorazd Kunstek, NRC member (until 12 June 2023)	2023	0	1,462	0	440	1,902	0	0
	2022	0	3,250	0	1,100	4,350	115	0
Edita Rituper, NRC member	2023	0	1,787	0	220	2,007	0	0
	2022	0	0	0	440	440	0	0
Blaž Garbajs, NRC member (from 14 December 2023)	2023	0	157	0	0	157	0	0
	2022	0	0	0	0	0	0	0
Members of the risk committee (RC)								
Keith William Morris, RC chairman	2023	0	4,875	0	1,320	6,195	4,089	0
	2022	0	4,875	0	1,540	6,415	3,242	0
Davor Ivan Gjivoje Jr, RC member	2023	0	3,250	0	1,320	4,570	47,707	0
	2022	0	3,250	0	1,540	4,790	25,258	0
Slaven Mičković, external RC member**	2023	0	11,996	0	0	11,996	0	0
	2022	0	0	0	0	0	0	0
Janez Komelj, external RC member	2023	0	3,914	0	0	3,914	0	0
	2022	0	6,254	0	0	6,254	0	0
Members of the fit and proper committee (FPC)								
Keith William Morris, FPC chairman	2023	0	4,875	0	440	5,315	1,363	0
	2022	0	4,875	0	660	5,535	1,389	0
Klemen Babnik, FPC member	2023	0	3,250	0	440	3,690	38	0
	2022	0	3,250	0	660	3,910	13	0
Rok Saje, external FPC member	2023	0	3,250	0	440	3,690	0	0
	2022	0	3,250	0	660	3,910	0	0
Klara Hauko, external FPC member	2023	0	3,250	0	440	3,690	0	0
	2022	0	3,250	0	660	3,910	0	0

* For 2022 and 2023, the expenses of the supervisory board members also included the benefit of directors' and officers' liability insurance (D&O).

** The membership of Slaven Mičković in the risk committee was suspended during 2022, due to his business relationship with the Company and the potential conflicts of interest involved.

3.4 Comparison of supervisory board members' remuneration in the last five years

A comparison of supervisory board members' remuneration in the last five years is provided in table 2.

Table 2: Comparison of supervisory board members' remuneration in the last five years

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023 (absolute amount for current reporting year)
Remuneration of supervisory board (SB) members						
Davor Ivan Gjivoje Jr, SB chairman	3.49%	-59.93%	187.42%	7.57%	64.95%	100,201
Keith William Morris, SB deputy chairman	1.96%	-30.64%	20.29%	9.03%	6.99%	23,758
Klemen Babnik, SB member (from 17 July 2021)	-	-	-	100.94%	-0.49%	15,965
Matej Gomboši, SB member (from 17 July 2021)	-	-	-	101.83%	3.29%	18,132
Gorazd Andrej Kunstek, SB member (until 12 June 2023)	-0.24%	-6.12%	16.08%	-3.70%	-55.51%	7,225
Edita Rituper, SB member (from 1 January 2022)	-	-	-	-	-1.36%	15,779
Blaž Garbajs, SB member (from 13 June 2023)	-	-	-	-	-	8,554

4 Remuneration of the members of management bodies

4.1 Introduction

The management body is defined under the applicable ZGD-1 and the Company's applicable articles of association. Under the Company's articles of association, the management body of Sava Re is the management board composed of two to five members. Under the applicable act on the management board, the management board is composed of four members.

The term "management board member" used in this document is a uniform term for both the "chairman of the management board" and any "member of the management board", except where specific reference is made to the chairman of the management board.

Where masculine grammatical forms are used in the Slovenian wording for a management board member, they are deemed to be understood to relate to both men and women.

Remuneration of members of the management board is regulated by (1) specific Solvency II policies (the Group's remuneration policy and that of Sava Re), (2) the Remuneration Policy for Members of Supervisory and Management Bodies of Sava Re d.d., (3) the employment contracts of each management board member, and (4) the Methodology for Determining Performance-based Pay of Management Board Members of Sava Re, which is appended and forms part of each management board member's employment contract.

The remuneration of the management board members of Sava Re is proportionate to their roles, the scope of operations of the Company and the entire Group, and the financial condition and business results of both the Company and the Group. In addition, the remuneration of the management board members is at a level that promotes the long-term sustainability of operations of the Company and the Group and ensures that remuneration is consistent with performance achieved.

The remuneration of management board members consists of a fixed component (base salary) and a variable component. The variable component is determined so as not to allow the rewarding of management board member behaviour that encourages the uncontrolled exposure of the Company to risk.

4.2 Composition of the management board in 2023

The composition of the management board changed during 2023. David Benedek was appointed as a member of the Sava Re management board on 15 December 2022; he began his five-year term of office on 22 March 2023. Now that David Benedek has taken up his office, the Sava Re management board again operates as a four-member body.

Composition of the management board in 2023

Member	Title	First appointed	Duration/expiry of term
Marko Jazbec	chairman	12 May 2017 new term of office 13 May 2022	13 May 2027
Polona Pirš Zupančič	member	14 January 2018 new term of office 15 January 2023	15 January 2028
Peter Skvarča	member	19 June 2020	19 June 2025
David Benedek	member	22 March 2023	22 March 2028

4.3 Remuneration of management board members in 2023

4.3.1 Fixed remuneration (base salary)

The fixed remuneration (base salary) of a management board member was pay for performance of duties, to pursue and assume responsibility, and it was determined taking into account the provision of financial stability, compensation of efforts and professional experience. The base salary did not depend on business performance or unpredictable factors. The main guideline for determining a management board member's base salary was the complexity of his or her function. The base salary of a member of the management board is set in the employment contract as a gross amount. Management board members are not entitled to a seniority bonus as this is already included in the base salary.

4.3.2 Variable remuneration

Variable remuneration is governed by the Methodology for Determining the Variable Pay of a Management Board Member of Sava Re (the Methodology) adopted by the supervisory board, which determines the variable remuneration of a management board member. After the supervisory board approves the strategic and annual plans for the next year, the supervisory board lays down the quantitative and qualitative criteria for assessing the performance of individual management board members for that year.

In accordance with the Methodology applicable for 2023, the variable remuneration of a management board member consists of:

- business-performance-based pay,
- individual-performance-based pay relating to annual personal goals of a management board member,
- team-performance-based pay based on joint goals of the management board.

Eligibility for variable remuneration is determined once a year after the end of the financial year, when the results of the Sava Insurance Group have been audited and approved. Variable remuneration is determined under the conditions and in the amount determined in the Methodology. The payment of variable remuneration for the management board members is decided by a supervisory board resolution.

If the amount of the variable remuneration that is determined for the first time and is not based on previously deferred amounts exceeds 30% of the management board member's regular annual salary net of performance-based pay, the payment of the variable remuneration above the 30% of the management board member's regular annual salary in the financial year to which the variable remuneration refers is deferred for a period of three years. The supervisory board adopts a special resolution on the deferment and a special resolution on the payment of the retained variable remuneration.

Before paying out the deferred variable remuneration, the Company verifies that all conditions for payment have been met.

The supervisory board may decide not to pay out deferred variable remuneration of a management board member if the Company and/or the Group has shown materially negative operating trends during the period to which the deferred payment relates, provided that such trends are also due to the decisions taken by that management board member.

Furthermore, deferred variable remuneration is not paid out if a management board member breached his legal and/or other obligations during the period to which the deferred payment relates. A management board member is deemed to have breached his duties if he has failed to act in the interests of the Company and with the care of a diligent and fair businessman.

Variable remuneration was determined in the 2023 financial year and paid out based on the business performance of the Sava Insurance Group in 2022 and the achievement of individual goals as well as joint goals of the management board in 2022, in line with the Methodology effective until 31 December 2022.

4.3.2.1 Criteria for determining the level of variable remuneration

4.3.2.1.1 Quantitative criteria for determining the level of variable remuneration (business-performance-based pay)

The quantitative criteria for determining the level of variable remuneration are used to measure performance against the achievement of the plan for a particular financial period. **Business-performance-based pay of a management board member** is tied to three selected economic and financial performance indicators at the Sava Insurance Group level:

- return on equity (ROE): the basis for determining the amount of the variable remuneration is the achievement of the planned percentage of return on equity of the Sava Insurance Group,
- return on revenue (ROR): the basis for determining the amount of the variable remuneration is the achievement of the planned percentage of return on revenue of the Sava Insurance Group, and
- expense ratio: the basis for determining the amount of the variable remuneration is the achievement of the planned percentage of the net expense ratio of the Sava Insurance Group.

4.3.2.1.2 Qualitative criteria for determining the level of variable remuneration (consisting of individual-performance-based pay based on individual goals of each management board member, and team-performance-based pay based on joint goals of the management board)

Qualitative criteria for determining the level of variable remuneration are used to measure performance against the achievement of individual annual goals of each member of the management board and against the achievement of joint annual goals of the management board. Qualitative criteria are vital for motivating individual management board members as well as the management board as a whole for the achievement of the annual and strategic plans, both of the Company and the Sava Insurance Group.

Individual-performance-based pay of a management board member relating to personal goals: Individual-performance-based pay of a management board member depends on the assessment of the Company's supervisory board whether the management board member has achieved the personal goals set out in the annual performance appraisal interviews (annually appended to the employment contract) and has contributed constructively to the objectives of the Company and the Group recorded in the Company's and the Group's plans approved by the supervisory board.

Team-performance-based pay based on joint goals of the management board: The part of the salary for the joint performance of the management board received by a management board member depends on the assessment of the Company's supervisory board of whether the management board as a whole has achieved the objectives of joint development projects, risk management objectives and other joint objectives as set out in the strategic plan of the Company and the Group and as specified in the Company's and Group's plans approved by the supervisory board.

In 2023, variable remuneration was paid to the management board members in the form of monetary remuneration, as evident from table 3. For each member of the management board or its committees, the upper row refers to the remuneration for the 2023 financial year, and the lower row to the remuneration for the comparable 2022 financial year.

4.3.3 Relative proportion of fixed and variable remuneration

Data on the relative proportion of fixed and variable remuneration of a management board member for the 2023 (and 2022) financial year are shown in table 3.

4.3.4 Relative proportion of financial and non-financial criteria in variable remuneration

Data on the relative proportion of financial and non-financial criteria in variable remuneration for a management board member for the 2023 (and 2022) financial year are provided in table 3.

4.3.5 Payment of the retained portion of variable remuneration to management board members

Based on the supervisory board's resolution, taking into account the methodology for calculating the variable part of the management board member's remuneration for 2018, 2019, 2020, 2021 and 2022, the Company paid the retained variable remuneration from the previous financial years to Polona Pirš Zupančič (after the end of her 2018–2023 term of office) at the end of the terms of management board members in 2023. Details on the remuneration from the payment of the retained variable remuneration to members of the management board are presented in table 3.

4.3.6 Termination benefit

There were no circumstances requiring payment of termination benefits to any management board member in 2023.

4.3.7 Benefits and other entitlements of management board members

In addition, the management board members are entitled to the following benefits and entitlements: an allowance for annual leave, personal accident insurance, supplementary pension insurance, group health insurance and health insurance with medical assistance abroad. All management board members are covered against risks arising from the performance of their function (directors' and officers' insurance). Each management board member is entitled to a mobile phone and a company car, both of which may be used for private purposes.

The remuneration of the management board members for 2023 is set out in table 3.

Table 3: Remuneration of the members of the management board in 2023 and 2022

Full name, position (chair, member), term of office	Year	(1) Fixed remuneration	(2) Variable remuneration		(3) Benefits and other entitlements	(4) Termination benefits, fulfilment of the competitive clause, other termination payments	(5) Return of remuneration paid (clawback)	(6) Maluses (refund of remuneration)	(7) Total payment (1 + 2 (disbursed) + 3 + 4 - 5 - 6)	(8) Proportion of variable remuneration (from financial and non-financial criteria) (xx%/yy%)	(9) Proportion of fixed compared to variable remuneration (xx%/yy%)	(10) Relative comparison to average employee salary (multiple) – for the Company and the Group*		(11) Remuneration from any Group company
			Disbursed	Deferred****								Company	Group	
Marko Jazbec	2023	217,800	62,816	33,153	4,283	-	-	-	284,899	63.64%/36.36%	69.41%/30.59%	3.8	4.8	-
	2022	210,586	59,374	-	3,707	-	-	-	273,667	72.73%/27.27%	57.50%/42.50%	4.2	5.3	-
	2022***	-	96,249	-	-	-	-	-	96,249					
Polona Pirš Zupančič	2023	195,586	53,460	28,215	13,606	-	-	-	262,652	63.64%/36.36%	53.81%/46.19%	3.5	4.3	-
	2023***	-	86,246	-	-	-	-	-	86,246					
	2022	179,400	53,460	28,215	14,454	-	-	-	247,314	72.73%/27.27%	68.72%/31.28%	3.5	4.4	-
Peter Skvarča	2023	194,850	53,460	28,215	9,268	-	-	-	257,578	63.64%/36.36%	70.46%/29.54%	3.5	4.3	-
	2022	179,400	53,460	28,215	10,147	-	-	-	243,007	72.73%/27.27%	68.72%/31.28%	3.5	4.4	-
David Benedek**	2023	153,235	-	-	8,322	-	-	-	161,557	63.64%/36.36%	100.00%/0.00%	3.5	4.3	-
	2022	-	-	-	-	-	-	-	-	-	-	-	-	-

* The average salary takes into account bonuses and all allowances in addition to the base salary, but excludes all management remuneration. The average salary is EUR 4,680 in the Company and EUR 3,733 in the Group. The multiple is calculated by comparing the fixed remuneration of the management board member with the average salary of employees.

** David Benedek's term as a member of the Sava Re management board started on 22 March 2023.

*** The variable remuneration paid also includes parts of the deferred remuneration for 2021, 2020, 2019 and 2018, which were paid out in 2022 to the chairman of the management board, Marko Jazbec, in the amount of EUR 96,249, and in 2023 to a member of the management board, Polona Pirš Zupančič, in the amount of EUR 86,246.

**** The deferred variable remuneration includes parts of the bonuses for the years 2021 (in the lines relating to 2022) and 2022 (in the lines relating to 2023) that will be paid in future years.

4.3.8 Annual change in remuneration, Company performance and average employee remuneration

Data on the change in remuneration, Company performance and average employee remuneration in the Company (other than for management board members) for full-time employment for the past four financial years are given in table 4. The remuneration used in the calculations in the table below includes the fixed remuneration paid during the period and variable remuneration relating to that period (e.g. the variable part of the bonus paid in 2023 relates to 2022 and is taken into account in 2022; by analogy, the same applies to other years).

Table 4: Comparison of the annual change in remuneration of the management board members, the annual change in the Company's performance indicators and the annual change in average remuneration of the Company's employees other than the members of management and supervisory bodies over the last five years

Annual change**						
Remuneration of management board members*	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023 (absolute amount for current reporting year)
Marko Jazbec, chairman of the management board	18.4%	7.2%	1.6%	-27.2%	3.6%	222,083
Marko Jazbec, chairman of the management board (variable remuneration)	-	29.1%	17.7%	0.0%	5.8%	95,969
Polona Pirš Zupančič, member of the management board	19.2%	7.1%	1.8%	-28.0%	7.9%	209,192
Polona Pirš Zupančič, member of the management board (variable remuneration)	-	33.8%	17.7%	0.0%	0.0%	81,675
Peter Skvarča, member of the management board	-	-	-3.3%	-30.4%	7.7%	204,118
Peter Skvarča, member of the management board (variable remuneration)	-	-	-	100.0%	0.0%	81,675
David Benedek, member of the management board	-	-	-	-	-	203,172
David Benedek, member of the management board (variable remuneration)	-	-	-	-	-	-
Sava Insurance Group performance	2018	2019	2020	2021	2022	2023***
Profit or loss, net of tax	43,011,849	50,194,588	56,386,299	76,167,178	68,242,586	64,657,172
Year-on-year change	38.3%	16.7%	12.3%	35.1%	-10.4%	37.8%
Return on revenue	8.0%	8.6%	8.6%	10.5%	9.1%	8.8%
Year-on-year change	1.5 p.p.	0.6 p.p.	0.0 p.p.	1.9 p.p.	-1.4 p.p.	1.4 p.p.
Return on equity	13.1%	13.8%	13.3%	15.8%	13.5%	10.8%
Year-on-year change	3.0 p.p.	0.7 p.p.	-0.5 p.p.	2.5 p.p.	-2.3 p.p.	2.5 p.p.
Net expense ratio, including operating revenue	32.8%	31.6%	29.5%	29.0%	29.3%	32.6%
Year-on-year change	1.4 p.p.	-1.2 p.p.	-2,1 p.p.	-0.5 p.p.	0.3 p.p.	-0.1 p.p.
Average remuneration per employee in the Company and the Group	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Average annual remuneration per employee
Company employees	-10.7%	5.4%	2.7%	-7.1%	9.0%	56,161
Group employees	-6.5%	4.4%	2.8%	-2.8%	10.3%	44,791

* Amounts are restated on an annual basis for a management board member whose term of office began or ended during the financial year under review.

** In 2018 and 2020, the methodology for determining the variable remuneration of management board members and the level of such remuneration were changed. In 2020, the methodology for determining the variable remuneration was also changed for other employees of the Company.

*** The Company's performance for 2023 is reported in accordance with the new international financial reporting standards IFRS 17 and IFRS 9. The performance indicators are calculated by comparing 2023 with 2022, both prepared in accordance with the new standards.

4.3.9 Remuneration from other Sava Insurance Group members

A management board member who also serves as a member of a supervisory body of a subsidiary waives all remuneration for the performance of his function in the supervisory body of the subsidiary.

In 2023, the Sava Re management board members received no remuneration from any Sava Insurance Group member other than Sava Re.

4.3.10 Shares and stock options

The management board members received no shares or stock options from the Company in 2023.

4.3.11 Reclaimed variable remuneration

Under ZGD-1, the supervisory board may reclaim the variable remuneration paid to the management board members relating to the performance of the Sava Insurance Group.

There were no circumstances in 2023 that would have required the variable remuneration paid to be reclaimed.

4.3.12 Financial benefits, taxes and contributions, and services

In the 2023 financial year, the management board members were awarded no monetary benefits, taxes or contributions, or services relating to their position as management board members by any third party in 2023.

In the 2023 financial year, the management board members were awarded no monetary benefits, taxes or contributions, or services for early termination of office, including changes agreed on in 2023.

In the 2023 financial year, the management board members were awarded no monetary benefits, taxes or contributions, or services for ordinary termination of office, including any monetary value or amount that the Company would spend or reserve for that purpose in 2023.

Ljubljana, 22 March 2024

Management Board of Sava Re d.d.



Marko Jazbec, Chairman



Polona Pirš Zupančič, Member



Peter Skvarča, Member



David Benedek, Member

Ljubljana, 4 April 2024

Supervisory Board of Sava Re d.d.



Davor Ivan Gjivoje Jr, Chairman

5 Independent auditor's assurance report with limited assurance

Deloitte.

Deloitte revizija d.o.o.
Dunajska cesta 165
1000 Ljubljana
Slovenija

Tel: +386 (0) 1 3072 800
Faks: +386 (0) 1 3072 900
www.deloitte.si

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT RELATED TO REMUNERATION REPORT FOR YEAR 2023

To the Shareholders of Sava Re, d.d.

We have performed limited assurance engagement as to whether the Director's Remuneration Report of Sava Re, d.d. ('the Report') for the year ended 31 December 2023, prepared by the Management Board and the Supervisory Board of Sava Re, d.d. (hereinafter 'the company'), is prepared in accordance with the requirements of Article 294.b of the Companies Act (hereinafter 'ZGD-1').

Identification criteria

In accordance with the requirement of ZGD-1 we have examined whether the Report contains all the information required by paragraphs 2 and 3 of Article 294.b of ZGD-1. The auditor's task is not to verify the actual accuracy of the Report and the information contained therein.

Purpose of the report

Our limited assurance report is intended solely to meet the requirements of Article 294.b of the Companies Act and for your information and may not be used for any other purpose. Our report relates only to the Remuneration report and does not apply to the financial statements of the company as a whole.

The responsibility of the Management Board and Supervisor Board for the Report

The Management Board and Supervisory Board are responsible for the preparation of the Report in accordance with Article 294.b of ZGD-1. The Management Board is responsible for publishing the Report on the Company's website immediately after the voting at the Shareholder's meeting, where it must be available free of charge for ten years.

The Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error and that is consistent with legal requirements.



Izre Deloitte se nanaša na združenje Deloitte Touche Tohmatsu Limited (DTTL) in mrežo njegovih družb članic ter njihovih povezanih družb (skupaj: organizacija Deloitte). DTTL (imenovan tudi Deloitte Global) in vsaka od njegovih družb članic ter povezanih družb so ločene in samostojne pravne osebe in druge družbe ne morejo prevzeti odgovornosti do tretjih oseb. DTTL in vsaka od njegovih družb članic ter povezanih družb so odgovorne sklopljeno za svoje dejanja in opazljive dejanja ter ne odgovarjajo za dejanja in opazljive dejanja drugih. DTTL sam po sebi ne opravlja storitev za stranke. Podrobnejše informacije najdete tukaj: www.deloitte.com/123456

Deloitte je vodilni globalni ponudnik storitev revizije in danja zagotovil, davčnega, poslovnega in finančnega svetovanja, svetovanja na področju tveganj in sorodnih storitev. Deloitte opravlja storitve za štiri od petih največje uveljavljenih gospodarskih družb na lestvici Fortune Global 500® in prek globalne mreže družb članic (skupaj imenovanih organizacija Deloitte) zagotavlja storitve v več kot 150 državah ter osemih. Več o tem, kako približno 312.000 Deloitteovih strokovnjakov dosega rezultate, ki štejejo, najdete na povezavi www.deloitte.com.

V Sloveniji storitve zagotavlja Deloitte revizija d.o.o. in Deloitte svetovanje d.o.o. (pod skupnim imenom Deloitte Slovenija), članici Deloitte Central Europe Holdings Limited. Deloitte Slovenija sodi med vodilne družbe za strokovne storitve v Sloveniji in opravlja storitve revizije in danja zagotovil, davčnega, poslovnega in finančnega svetovanja, svetovanja na področju tveganj in sorodne storitve, ki jih zagotavlja več kot 160 domačin in tujih strokovnjakov.

Deloitte revizija d.o.o. - Družba vpisana pri Okrožnem sodišču v Ljubljani - Matična številka: 1647305 - ID št.: za DDV: S6259085 - Osnovni kapital 74.214,30 EUR.

© 2024. Za več informacij se obrnite na Deloitte Slovenija.

Auditor's Responsibility

Our responsibility is to express our conclusion on limited assurance for the Report based on the procedures we carried out and on the evidence we obtained. Our limited assurance engagement was carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. Pursuant to the standard, the auditor shall plan and perform the engagement in the way that will allow the auditor to obtain limited assurance that nothing has come to the auditor's attention that would cause the auditor to believe that the Report includes material misstatement in terms of compliance with the requirements of Article 294.b of ZGD-1.

Our independence and quality control

We performed our work in accordance with independence and ethical requirements under the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by International Ethics Standards Board for Accountants (IESBA Code). The Code is prepared based on the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

As a part of its compliance with International Standards on Quality Control (ISQC 1), our company maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

The nature and scope of our procedures were determined on the basis of risk assessment and our professional judgement with the purpose to obtain limited assurance.

The procedures for obtaining evidence in a limited assurance engagement are more limited in relation to a reasonable assurance engagement; therefore, less assurance is provided than in reasonable assurance or audit engagements.

The procedures carried out within the scope of our engagement include:

- Understanding the resolutions of the Shareholder's meeting regarding the adopted remuneration policy and inquiring with the Management Board, the Supervisory Board and other employees in order to gain an understanding of the remuneration policy and the procedures implemented by the company in preparing the Report;
- obtaining a list of persons for whom there is an obligation to include data in the Report in the year for which the Report is being prepared and verifying that their remuneration is disclosed in the Report;
- verification that the Report contains all the information required by paragraphs 2 and 3 of Article 294.b of ZGD-1.

We believe that the obtained evidence is sufficient and appropriate to provide basis for our conclusion.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that would cause us to believe that the Report for the year ended 31.12.2023 as prepared by the Company does not, in all material respect, include the information as required by paragraph 2 and 3 of Article 294.b of ZGD-1.

Emphasis of Matter

As disclosed in Director's remuneration report in Chapter 2 Introduction to the remuneration report for 2023, the management and supervisory board of the company Sava Re, d.d. adopted the remuneration policy, which was submitted to the general meeting of the company Sava Re, d.d., in accordance with the transitional provisions of the ZGD-1K amendment on 5 June 2023, but the decision was not approved. The company still uses the remuneration policy, but it needs to submit the amended remuneration policy for voting at the next general meeting. The company will submit the remuneration report to the shareholders for approval at the next regular meeting of Sava Re, d.d. Our opinion in respect of this matter is not modified.

DELOITTE REVIZIJA d.o.o.

Barbara Žibret Kralj
Certified auditor

For signature please refer to the original Slovenian version.

Deloitte.

DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

Ljubljana, 22 March 2024

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS



SAVARe

Sava Re d.d.

Dunajska cesta 56, P.O.B. 318

SI-1001 Ljubljana, Slovenia

T +386 1 47 50 200

F +386 1 47 50 264

info@sava-re.si

www.sava-re.si

Photo: Matej Vranič