



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

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The audit committee of Sava Re d.d. adopted the following document at its session no. 33 held on 20 August 2024, with the approval of the supervisory board granted at its session no. 34 held on 22 August 2024:

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

1 General provisions

Article 1

The Rules of Procedure of the Audit Committee of the Supervisory Board of Sava Re d.d. (hereinafter: the "Rules of Procedure") lay down the purpose and mission of the audit committee of the supervisory board of Sava Re d.d. (hereinafter: the "Audit Committee"), the independence and qualification of its members, its powers and responsibilities and the conditions required for its operation.

Furthermore, these Rules of Procedure govern the operation and decision-making of the Audit Committee, the procedures for convening sessions, preparing session materials, attendance and taking minutes, all within the powers of the Audit Committee in accordance with the provisions of these Rules of Procedure and of other normative acts of Sava Re d.d. (hereinafter: the "Company").

2 Purpose and mission of the Audit Committee

Article 2

The supervisory board established the Audit Committee pursuant to legal requirements for the purpose of professional assistance in decision-making, particularly in the areas of financial reporting, financial operations, internal controls, risk management, and external and internal auditing of the Company and the Sava Insurance Group (hereinafter: the "Group").

The mission of the Audit Committee is to provide technical support to the supervisory board in its oversight of the business of the Company and the Group and the operation of the management board, to provide guidance on the achievement of the Company's and the Group's vision, mission and strategic objectives, and to continuously improve the quality of its supervision. The Audit Committee shall prepare technical background materials and reports required for the work and decision-making of the supervisory board. The Audit Committee shall submit the conclusions of its monitoring of the reports and its expert assessment of the information provided by the management board to the supervisory board to improve its effectiveness. Decision-making remains within the power of the supervisory board.

Article 3

Members of the Audit Committee shall act with integrity and in a fair, independent, impartial and professional manner.

3 Composition of the Audit Committee and expertise of its members

Article 4

The members of the Audit Committee are appointed by the supervisory board. The Audit Committee is composed of at least four members, including two independent external members.

The chair is appointed by the supervisory board from among its members. As a rule, the chair of the Audit Committee is not the chair of the supervisory board. The Audit Committee may also appoint a deputy chair of the Committee.

The supervisory board may resolve that the Audit Committee be composed of fewer members, but not less than three, of whom at least one shall be an independent external member.

The members of the Audit Committee shall serve for the same term of office as the members of the supervisory board and are eligible for re-election. As a rule, the Audit Committee members are appointed for no more than two consecutive terms of office, and it is important that the supervisory board ensures continuity in the work of the Audit Committee.

Article 5

At least one member of the Audit Committee must be an independent external expert, qualified in accounting or auditing, with several years of practical experience in these areas and a record of continuous professional development. In its assessment of whether a candidate for membership of the Audit Committee is an independent external expert and qualified in accounting or auditing, the supervisory board shall take into account that the candidate for membership of the Audit Committee: (1) is not a member of the supervisory board and (2) is a chartered auditor, auditor, certified auditor or accountant or has obtained a comparable qualification from a relevant institution or has headed the finance or accounting department of another large company for at least five years.

All the members of the Audit Committee must be appropriately qualified in the business of the Company.

4 Independence of Audit Committee members

Article 6

The supervisory board shall appoint such Audit Committee members who can act independently in performing their function. Apart from the independent external expert, the other members of the Audit Committee shall be appointed from among the independent supervisory board members. Pursuant to Article 79 of the Slovenian Worker Participation in Management Act¹, taking into account the independence criteria set out in Appendix B of the Slovenian Corporate Governance Code for Listed Companies², the independence requirement does not apply to members of the Audit Committee who are employee representatives on the supervisory board. Independence is the ability to act independently and make decisions solely in the interests of the Company. In selecting independent Audit Committee members, the supervisory board shall primarily take into account the following criteria: (1) a member of the Audit Committee shall not be a member of the Company's management board; (2) a member of the Audit Committee shall be independent of the Company's management board; (3) a member of the Audit Committee shall not be bound by the instructions and directions of the Company's management board; (4) a member of the Audit Committee shall not be a person who is a key function holder of the controlling company or a person responsible for preparing the financial statements or managing the financial investments.

Decisions of the Audit Committee shall not be taken under circumstances of a conflict of interest.

¹ Worker Participation in Management Act (ZSDU, Official Gazette of the Republic of Slovenia, [No. 42/1993](#), as amended).

² [Slovenian Corporate Governance Code for Listed Companies, The Slovenian Directors' Association \(zdruzenje-ns.si\), Appendix B – Independence of the members of supervisory board and committees.](#)

5 Tasks and powers of the Audit Committee

Article 7

The primary tasks of the supervisory board's Audit Committee are:

- to oversee the integrity of financial information;
- to monitor the efficiency and effectiveness of internal controls, the operation of the internal audit department and risk management systems;
- to monitor the statutory audit of independent and consolidated financial statements; and
- to perform other tasks assigned by a valid resolution of the supervisory board in accordance with statutory requirements and best practice of comparable companies or insurance groups.

5.1 Overseeing the integrity of financial information

Article 8

The Audit Committee:

- monitors financial reporting processes and prepares recommendations and proposals to ensure their completeness;
- assesses the adequacy of accounting policies and estimates and oversees the integrity of accounting and financial information for public or external users;
- assesses the composition of the annual report and the consolidated annual report and drafts a proposal for the supervisory board; and
- assesses the composition of the Company's and the Group's interim reports.

5.2 Monitoring the efficiency and effectiveness of internal controls, the internal audit department and risk management systems

Article 9

The Audit Committee:

- monitors the functioning of the Company's internal control system, primarily in terms of its reliability, efficiency and effectiveness, drawing on the findings of internal audits;
- monitors the efficiency and effectiveness of internal audit based on interim and annual reports on the activities of the internal audit department;
- assesses the appropriateness and adequacy of internal audit acts approved by the supervisory board;
- assesses the adequacy of internal audit plans;
- monitors the implementation of internal audit recommendations;
- assesses the adequacy of the conditions necessary for the independent and effective operation of the internal audit department;
- assesses the management board's proposal, subject to the approval of the supervisory board, regarding the appointment, removal and remuneration of the head of internal audit, which is consented to by the supervisory board;
- cooperates with the internal auditor, in particular by exchanging information on key issues relating to internal auditing;
- assesses the quality of internal audit activities based on the findings of both the self-assessment and the external quality assessment of the internal audit department; and

- monitors the efficiency and effectiveness of the risk management systems by monitoring the work and findings of the supervisory board's risk committee (by taking note of the minutes of the risk committee sessions, the annual reports of the key function holders, the annual statement of the key function holders, etc.).

5.3 Monitoring the statutory audit of separate and consolidated financial statements

Article 10

The Audit Committee:

- monitors the statutory audit of the annual separate and consolidated financial statements, in particular the effectiveness of the statutory audit, taking into account all the findings and conclusions of the external auditor;
- cooperates with the auditor in auditing the Company's annual report, in particular by exchanging information on audit focus areas;
- reviews and monitors the independence of the auditor of the Company's annual report, in particular regarding the provision of additional non-auditing services;
- oversees the auditor selection process and proposes to the supervisory board candidates for the auditing of the Company's annual report;
- contributes to determining the audit focus areas;
- contributes to the drafting of the contract between the auditor and the Company;
- reports to the supervisory board on the outcome of the statutory audit, including providing information on how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in the process; and
- assesses the quality of the external auditor in accordance with the internal methodology for assessing the quality of work of the auditor of the annual report.

6 Other powers and responsibilities of the Audit Committee

Article 11

The Audit Committee has the power:

- to review any activity within its duties and areas of responsibility;
- to obtain any information needed for its work by addressing a request to the management board; and
- to obtain, subject to the prior approval of the supervisory board, independent external legal or other professional advice and to invite such external advisers to attend its sessions, if necessary.

With due regard to the principle of uniform information for all members of the Audit Committee and members of the supervisory board who are not Audit Committee members, any additional information and documentation requested referred to in the second indent of this Article are posted on the Audit Committee's portal.

Article 12

The Audit Committee shall report in writing to the supervisory board on an annual basis. After having agreed and approved a draft report at its session, the Audit Committee chair shall submit and present it to the supervisory board.

The chair of the Audit Committee shall report on the Committee's work on an ongoing basis or at least quarterly at the supervisory board sessions, in particular at those where materials involving financial information, the operation of internal controls, or internal or external audit are discussed.

Approved session minutes of the Audit Committee are available to the members of the supervisory board.

Article 13

Each member of the Audit Committee should understand and be familiar with the following:

- the social, political, economic and legal framework in which the Company and the Group operate;
- the organisational structure and policies of the Company and the Group;
- the operation of the Company and the Group and their approach to planning and overseeing such operation; and
- the risks to which insurance companies and insurance groups are exposed and how these risks are managed.

Article 14

Members of the Audit Committee shall consider all the issues pertaining to their areas of responsibility in an impartial and objective manner, based on their knowledge and experience and by asking the right questions and obtaining and assessing the answers.

Article 15

Each member of the Audit Committee shall, on an ongoing basis, keep improving their expertise in the areas of responsibility that they monitor and oversee.

Article 16

The Audit Committee shall make a self-assessment of its operations at least annually and report to the supervisory board on this self-assessment and the measures planned to improve its activities.

The supervisory board shall also assess the operation of the Audit Committee at least annually and inform the Audit Committee in writing of any recommendations or requests for improvements.

7 Operation, decision-making and procedures of the Audit Committee

Convening sessions

Article 17

Sessions of the Audit Committee are convened by the chair as necessary, as a rule at least one day before the session of the supervisory board at which issues from the subject areas covered by the Audit Committee are to be discussed, and as otherwise required or requested by the supervisory board.

The Audit Committee shall meet at least on a quarterly basis. The Audit Committee shall schedule as many sessions annually as necessary to exercise the powers and responsibilities laid down in these Rules of Procedure.

Article 18

Notice of each Audit Committee session is sent to all Audit Committee members no later than three business days prior to the session.

Session notices include an agenda prepared by the Audit Committee chair and, wherever necessary, materials, reports and clarifications for each agenda item.

The Audit Committee shall convene sessions and disseminate materials by using information technology.

The Company shall ensure effective information security in its electronic communication with Audit Committee members.

If requested by a member of the Audit Committee, the materials are also provided in hard copy.

Article 19

Notwithstanding the preceding Article, an Audit Committee session may exceptionally be held as a correspondence session, provided all Audit Committee members agree.

Use of information technology

Article 20

The Audit Committee may use information technology to prepare for and carry out its sessions. A member of the Audit Committee is also deemed to be attending a session if the session is held by means of information technology that enables all Audit Committee members to communicate directly with each other at the same time. The Company's professional staff shall ensure that the use of information technology is secure.

Preparation of materials

Article 21

Materials for Audit Committee sessions shall be drawn up by the Company's professional staff, while the management board shall be 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 a note, except where figures or trends can be read directly from a table as part of a report.

Materials must include an indication of who prepared them.

All materials must be signed.

Article 22

The materials used to form the Audit Committee's position, which serves as the basis for the adoption of a resolution by the supervisory board, must include a proposed resolution, including a reference to:

- who the proposer of the resolution is;
- any legal basis or other procedural or professional basis for the adoption of the resolution;
- the wording of the proposed resolution;
- the reasons for the proposed resolution; and
- if necessary, the name of the person who will implement the resolution and the due date.

Article 23

Materials, including the session notice, are available on the Company's intranet portal and are marked with the number of the agenda item under which they are to be discussed for ease of reading,

or the wording of the agenda items in the session notice makes reference to them. Audit Committee members are notified by email or text message of the posting of any materials.

The Audit Committee may discuss and take decisions on the basis of materials made available to the Audit Committee during the session at the request of the Audit Committee chair, but only on matters where due dates have to be met and where, for objective reasons, data could not be prepared in time. Such materials will only be discussed at the session if so agreed by all members of the Audit Committee. In all other cases, the Audit Committee may decide to postpone the discussion of an agenda item until the next session, depending on the importance of the materials and the importance of the decision to be taken.

If any materials are amended after they have been posted, the Audit Committee members are immediately informed by email or text message.

Article 24

The materials for making decisions at a correspondence session are made available to the Audit Committee on the Company's intranet portal, together with the proposed agenda for the correspondence session.

Chairing and attending sessions

Article 25

Audit Committee sessions are presided over by the chair. If the chair is unavailable or absent, the session is presided over by the deputy chair, if one has been appointed. A session cannot start in the absence of both.

Article 26

Audit Committee sessions are attended by its members and other persons invited by the Audit Committee chair.

Article 27

The Audit Committee members and other persons involved in any way in the operation of the Audit Committee or attending its sessions shall safeguard as trade secrets all documents and data used in the Audit Committee sessions or in preparation for such sessions, both during the term of office of the Audit Committee members and thereafter.

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

- materials for Audit Committee sessions,
 - all resolutions adopted by the Audit Committee and
 - minutes of Audit Committee sessions,
- until made public by the Company.

Article 28

Before the beginning of any session, the Audit Committee chair or deputy chair shall establish if there is a quorum.

The Audit Committee is quorate if at least half of its members are present when resolutions are passed, provided that all members have been invited in a proper and timely manner. In addition, either the chair or the deputy chair must be present.

Article 29

Upon the adoption of the agenda, the deliberation of individual agenda items begins.

For each agenda item, the chair of the session shall first invite the proposer of the resolution or the presenter to speak and may also ask for further explanations before closing the discussion on the item.

Decision-making

Article 30

After ending the discussion of an agenda item, the chair of the session shall invite members to make a decision or take a position and draft a proposal for the supervisory board.

Article 31

In their dealings, Audit Committee members shall put the interests of the Company before any personal interests or interests of third parties, the management board, shareholders, the public or the state.

If an Audit Committee member has a conflict of interest relating to any agenda item, the member shall explain such conflict of interest and abstain from voting.

For a decision of the Audit Committee to be valid, it must be supported by a majority of the votes cast by the Audit Committee members. In case of a tied vote, the chair, or in their absence the deputy chair, if one has been appointed, shall have a casting vote.

Session minutes

Article 32

Session minutes are taken at each Audit Committee session.

The Audit Committee shall appoint a recording officer (minute taker) for each session, as proposed by the Company's management board.

At correspondence sessions of the Audit Committee, the session minutes are taken by the person designated by the management board for the technical execution of the correspondence session.

Audit Committee sessions may be audio recorded to facilitate the taking of minutes. These recordings are deleted after the minutes have been approved.

Article 33

Session minutes must include the following:

- an indication that the document is the minutes of an Audit Committee session;
- the location, room, date and time of the session;
- a list of attendees;
- the agenda as adopted;
- the deliberation of each agenda item, namely:
 - a summary of the presenter's information or of the relevant materials;
 - a summary of the discussion;
 - the final wording of the resolution adopted; and
- the signature of the Audit Committee chair or deputy chair and the minute taker.

Article 34

The minutes are drawn up no later than eight days after the session. If necessary, an abridged version of the minutes, including all resolutions, is prepared immediately after the session or on the following day.

The minutes are submitted to the members for review and approval in writing within eight days after the session and for formal approval at the next Audit Committee session.

Once approved in writing, the minutes of the Audit Committee session are submitted to the members of the supervisory board.

Article 35

The Audit Committee session minutes are archived in the office of the management board and of compliance in accordance with the law, the Company's regulations and instructions on the safeguarding of trade secrets and Company documents.

8 Support to the Audit Committee

Article 36

The Company shall provide the Audit Committee with all necessary and sufficient human and financial resources to perform its tasks and other responsibilities.

Article 37

Members of the Audit Committee who are also members of the supervisory board shall receive remuneration and other reimbursements for their service, as decided by the general meeting.

Notwithstanding the first paragraph of this Article, the supervisory board may, by special resolution, determine the manner of remuneration of the independent external member of the Audit Committee who is not a member of the supervisory board.

The independent external member of the Audit Committee may also perform additional professional tasks on the proposal of the Audit Committee as approved by resolution of the supervisory board. Payments are made after the Audit Committee chair has confirmed that the task has been performed and the scope of the task has been specified. The engagement and payment of such services are ordered by resolution of the supervisory board.

Article 38

The members of the Audit Committee are offered and paid for training as is necessary for the proper functioning of the Audit Committee.

Article 39

The Audit Committee shall be entitled to obtain, at the Company's expense, additional required legal and other professional advice or opinions from independent external advisers on any matter within its remit..

Article 40

The Audit Committee shall plan its funds, including allocations for training and opinions from independent external advisers, as part of the Company's regular annual cost planning, with such plan being subject to approval by the supervisory board.

9 Relations with regulators

Agency for Public Oversight of Auditing

Article 41

The Audit Committee shall communicate with the Agency for Public Oversight of Auditing (ANR – as the supervisory authority and regulator in the field of auditing) in the process of selecting the external auditor and/or preparing the proposal for its appointment. The ANR's findings, based on its oversight of the audit firm, can provide the Audit Committee with useful information on quality management at the audit firm level from the regulator's perspective.

As part of the process of shortlisting the audit firm to be recommended to the supervisory board for appointment as external auditor at the general meeting of shareholders, the Audit Committee may request the candidate firms to provide their findings and conclusions on the supervision carried out on the specific engagement (if any) or on the quality of the work performed on such engagement in general. If the Audit Committee has doubts about the adequacy of the audit firm's explanations, it may request information from ANR regarding the findings and conclusions of the shortlisted audit firm on the quality control work carried out. ANR will be able to provide the Audit Committee with certain information regarding the audit firm, such as the date of the last supervision of the audit firm, the main findings, the assessment of the audit firm's compliance with the audit rules and any final supervisory measures imposed.

When periodically assessing the performance or monitoring the quality of the external audit, the Audit Committee may request information from the external auditor on whether ANR has supervised the audit of the Company.

The manner in which the Audit Committee cooperates with ANR is by:

- being informed of any final measures imposed on the external auditor by ANR (publicly published in the Register of Audit Firms and the Register of Statutory Auditors on the ANR website);
- reading publicly available supervisory reports of ANR on the overall results of the quality assurance system (available on the ANR website); and
- requesting information from ANR on the most recent supervision of the external auditor's work and any significant findings.

Other market regulators

Article 42

The Company operates in a highly regulated industry. Its operations are supervised by the Insurance Supervision Agency (ISA) and the Securities Market Agency (ATVP). The Audit Committee periodically monitors the management's reports on correspondence with market regulators and inspection services and on compliance with the regulator's requirements and recommendations where these relate to its areas of activity.

The manner in which the Audit Committee cooperates with ISA and ATVP is by requesting their clarifications or views.

10 Final provisions

Article 43

These Rules of Procedure of the Audit Committee are adopted by a majority of votes cast; any amendments require the same majority. These Rules of Procedure are subject to approval by the supervisory board.

Article 44

Any matters not expressly governed by these Rules of Procedure are governed, directly or by analogy, by the Rules of Procedure of the Supervisory Board, the Company's Articles of Association, the laws governing commercial companies and insurance companies, and other autonomous sources of law, such as the recommendations of the Audit Committee.

Article 45

The Audit Committee shall review these Rules of Procedure every two years and, if necessary, propose improvements or amendments.

Article 46

These Rules of Procedure become effective upon consent of the supervisory board and apply as of 1 September 2024.

On the day of the entry into force of these Rules of Procedure, the Rules of Procedure of the Audit Committee of Sava Re d.d. dated 12 October 2021 cease to be effective.

Ljubljana, 20 August 2024

Audit Committee of the Supervisory Board of Sava Re d.d.

Matej Gomboši

Chairman of the Audit Committee of the Supervisory Board of Sava Re d.d.