

## INVITATION TO SUBMIT A BINDING OFFER AS A SHAREHOLDER OF POZAVAROVALNICA SAVA D.D. IN THE OTC BUYBACK PROGRAMME

Shareholders of Pozavarovalnica Sava, d.d., Dunajska cesta 56, 1000 Ljubljana, Slovenia (Sava Re) on General Shareholders' Meeting on 23.4.2014 adopted a resolution on treasury shares which allows management board of Sava Re to purchase treasury shares on the organized market or OTC (notice on that was published on 23th of April at SEOnet and on website of Sava Re) (Shareholders' resolution on treasury shares). In the past months Sava Re has purchased treasury shares exclusively through Ljubljana Stock Exchange organized market. Due to limited liquidity and Sava Re's commitment not to influence the market price, Sava Re was only able to obtain 3.147 shares since July 23<sup>rd</sup> 2014. Management board of Sava Re has thus decided to complement its market buyback programme with the off market auction, which will be organised by leading Slovenian brokerage house ALTA Invest d.d.. In line with the Shareholders' resolution on treasury shares, published Sava Re share buyback programme (published on 18th of November at SEOnet and on website of Sava Re) (Buyback programme) and with the principle of equal treatment of all shareholders, shareholders of Sava Re will be able to submit binding offers to sell their POSR shares under conditions and in a manner described below.

### Submitting the binding offer

All Sava Re's shareholders, who are registered in the KDD on November 24<sup>th</sup> 2014, are invited to submit binding offers to sell their respective shares of Sava Re with ticker POSR and ISIN number SI0021110513 (POSR shares) from **Monday, November 24<sup>th</sup> 2014 9:00 CET** until **Wednesday, November 26<sup>th</sup> 2014 16:00 CET** (the Period) by filling and submitting the attached form to this invitation. For detailed instructions on how to submit the binding offer, please revert to the last part of this invitation.

By submitting the binding offer perspective shareholder guarantees that:

- he is the owner of the shares that are subject of his binding offer;
- the shares that are subject of his binding offer are free of any encumbrances;
- he has not taken and will not take action of any kind that shall prevent execution of the transaction with his shares according to the process described herein in case of the acceptance (in whole or part) his binding offer.

For the purpose of the transaction according to the process described herein, the shareholder's shares, that are subject of his binding offer, must be at the dematerialised securities account, opened at the KDD and managed by a KDD registry member chosen by the shareholder (Trading Account).

One shareholder may submit 1 (one) binding offer. In case a shareholder submits more than one binding offer, the first binding offer (according to time stamp) shall be deemed submitted and all later binding offers shall be deemed invalid. However, the fiduciary that is registered in the KDD as a shareholder, may submit more than one binding offer, but only one binding offer per his client, where each submitted binding offer of the fiduciary has to be marked with different designation for each perspective client (Client 1, Client 2, etc).

In case the binding offer exceeds the quantity of POSR shares that are registered in the KDD on shareholder's name, it will be considered that such binding offer refers to a quantity of POSR shares registered in the KDD on shareholder's name and as regards the excess of that quantity it will be considered invalid.

### Offered purchase price per POSR share in the binding offer

Offered purchase price per POSR share in the binding offer has to be within the indicative price range EUR 14.8 – EUR 16.3, where the aforementioned price range is determined according to the average of a two-month stock-exchange price on November 18<sup>th</sup> 2014 and 5% deviation. Notwithstanding the above, price range is only indicative and not binding, thus Sava Re may buy treasury shares within or outside the price range. However, shareholder shall be aware that according to the Shareholders' resolution on treasury shares and Buyback programme, price per acquired treasury share may not depart from the average of a two-month stock-exchange price for more than 20 %, wherein mentioned price range will be determined on November 26<sup>th</sup> 2014 - at the day when Sava Re will determine purchase price and accepted binding offers.

## **Offered quantity of POSR shares in the binding offer**

The maximum quantity of POSR shares that Sava Re may acquire according to the Shareholders' Resolution on treasury shares considering the treasury shares Sava Re has already obtained is 1.721.966 POSR shares. However, Sava Re has its sole discretion to determine the quantity of POSR shares it shall acquire in this range at the end of this process (Purchase quantity of POSR shares).

Minimum offered quantity of POSR shares in the binding offer is 1 (one) POSR share. Maximum offered quantity of POSR shares in the binding offer is 405.405 (Maximum quantity), which is also maximum intended quantity of POSR shares, that Sava Re may acquire in this procedure. In case the binding offer exceeds the Maximum quantity of POSR shares it will be considered that such binding offer refers to a Maximum quantity of POSR shares and as regards the excess of Maximum quantity it will be considered invalid.

## **Pricing**

All transactions in this process will be executed at the same price per POSR share (Determined price).

Pricing will be set according to:

- binding offers received by Sava Re's shareholders;
- the limitations regarding the price and the quantity of POSR shares set out in Shareholders' resolution on treasury shares and Buyback programme;
- the quantity of POSR shares, determined by Sava Re (Purchase quantity of POSR shares).

According to the pricing (see previous paragraph) all received binding offers with lower price than the Determined price shall be accepted, while the binding offers at the Determined price shall be accepted up to the Purchase quantity of POSR shares, respecting the time stamp of receipt of binding offer; the binding offer with earlier time stamp has priority. The last binding offer that fills in the Purchase quantity of POSR shares may be accepted partially up to the Purchase quantity of POSR shares. If there are more offers in later case with the same time stamp they shall be all accepted partially pro rata up to the Purchase quantity of POSR shares. In order to set the Determined price and to accept binding offers only received binding offers of a perspective shareholder, that is a shareholder on the day of setting the Determined price, will be taken into consideration.

## **Results and Execution**

Sava Re's shareholders that submitted binding offers will be informed about acceptance of their respective offers on **Thursday, November 27<sup>th</sup> 2014 with Notification on acceptance of shareholder's binding offer (Notification)** which will be sent by ALTA by mail or e-mail, provided they have indicated their e-mail address in their binding offer.

Sava Re shall make a public announcement on Determined price and Purchase quantity of POSR shares on SEOnet (<http://seonet.ljse.si/>) on Thursday, November 27th 2014.

## **Settlement of purchase price and POSR shares regarding to accepted/partially accepted offers**

The settlement of purchase price and POSR shares will be executed through Central Securities Clearing Corporation - KDD d.d. acting as an escrow agent.

Sava Re's shareholder, whose binding offer will be accepted/partially accepted shall:

- accede to the settlement mechanism provided by the escrow agent as determined in the escrow agreement and shall therefore issue to escrow agent an Order for services of escrow agent regarding delivery versus payment of selling price (hereinafter: Order for services of escrow agent), which will be attached to the Notification and;
- have to (via selected KDD member) enter in the central registry instruction to sell the accepted/partially accepted number of POSR Shares by **12:00 noon CET 2<sup>nd</sup> December 2014** at the latest and deliver the corresponding POSR shares to the KDD's Fiduciary Securities Account by **12:00 noon CET 2<sup>nd</sup> December 2014** at the latest together with the number of a bank account of a shareholder (for the purpose of receiving purchase price).

In case the shareholder does not act in accordance with the previous paragraph the settlement of his POSR shares shall not take place. However such shareholder remains liable to Sava Re to fulfill his obligations arising from the accepted binding offer and/or to repay the damage.

KDD shall thereafter deliver the corresponding amount of cash **on the same day** to the credit of the respective seller's account and transfer the respective amount of POSR shares to the credit of buyer's account.

Sava Re has discretionary right to accept or reject binding offers in whole or in part from the shareholders, or to stop the process at any stage taking into account the principle of equal treatment of all shareholders. KDD as an escrow agent guarantees that sellers shall not remain without the POSR shares delivered to the KDD's Fiduciary Bank Account unless the sellers receive the corresponding amount of cash (delivery vs. payment).

#### Important notice regarding the market manipulation

Sava Re informs all shareholders that trading with POSR shares through Ljubljana Stock Exchange organized market in order to affect stock-exchange price may be considered as a market manipulation, which is prohibited by Financial Instruments Market Act (Official Gazette, number 67/07 with amendments) and by The criminal code (Official Gazette, number 55/08 with amendments).

#### Costs to be borne by Sava Re's shareholder

A shareholder wishing to submit binding offer who has not yet opened a Trading Account must first open such Trading Account through a selected KDD registry member (a brokerage company or certain banks) at its own expense.

A shareholder is subject to costs associated with opening and management of the Trading Account and all other costs charged by selected KDD registry member managing shareholder's Trading Account in accordance with the applicable price list (e.g. annual Trading Account management fee, compensation for maintenance of balance of securities and similar). Shareholder should therefore, prior to the conclusion of the contract on the opening of a Trading Account at the selected KDD registry member, become fully acquainted with the general terms and conditions of the selected registry member and its pricelist, and costs associated with the relevant service. In addition, a shareholder is obliged to cover the charges for transfer of POSR shares to the KDD's Fiduciary Securities Account, charged by selected KDD registry member.

Costs of KDD regarding services of escrow agent will be borne by Sava Re.

#### Detailed instructions on how to submit the binding offer

Binding offer in the attached form has to be submitted during the Period during regular opening hours published on the website [www.alta.si](http://www.alta.si), , at the locations indicated below:

- 1) at the ALTA Invest d.d., at the address Železna c. 18, 1000 Ljubljana;
- 2) at the tied agent of ALTA Invest d.d.: Banka Koper d.d., in the following branches:

<b>KOPER</b> , Pristaniška ulica 14, 6000 Koper	<b>JESENICE</b> , Delavska ulica 1, 4270 Jesenice
<b>IZOLA</b> , Drevored 1.maja 5, 6310 Izola	<b>MARIBOR</b> , Vita Kraigherja 5, 2000 Maribor
<b>SEŽANA</b> , Partizanska 50, 6210 Sežana	<b>SLOVENSKA BISTRICA</b> , Ljubljanska cesta 16, 2310 Slovenska Bistrica
<b>ILIRSKA BISTRICA</b> , Bazoviška 18, 6250 Ilirska Bistrica	<b>PTUJ</b> , Slovenski trg 3, 2250 Ptuj
<b>AJDOVŠČINA</b> , Tovarniška 1/a, 5270 Ajdovščina	<b>NOVO MESTO</b> , Novi trg 5, 8000 Novo mesto
<b>TOLMIN</b> , Trg maršala Tita 7, 5220 Tolmin	<b>TREBNJE</b> , Stari trg 2/a, 8210 Trebnje
<b>NOVA GORICA</b> , Bevkov trg 2, 5000 Nova Gorica	<b>SEVNICA</b> , Trg svobode 1, 8290 Sevnica
<b>POSTOJNA</b> , Tržaška cesta 1, 6230 Postojna	<b>CELJE</b> , Stanetova 31, 3000 Celje
<b>PIVKA</b> , Kolodvorska 14, 6257 Pivka	<b>VELENJE</b> , Prešernova cesta 10, 3320 Velenje
<b>KOČEVJE</b> , Trg zbora odposlancev 12, 1330 Kočevje	<b>SLOVENJ GRADEC</b> , Podgorska cesta 2, 2380 Slovenj Gradec
<b>KAMNIK</b> , Ljubljanska cesta 4a, 1241 Kamnik	<b>RADLJE OB DRAVI</b> , Koroška cesta 61/a, 2360 Radlje ob Dravi
<b>GROSUPLJE</b> , Adamičeva cesta 3a, 1290 Grosuplje	<b>RAVNE NA KOROŠKEM</b> , Prežihova ul. 3, 2390 Ravne na Koroškem
<b>KRANJ</b> , GLOBUS, Koroška cesta 4, 4000 Kranj	<b>MURSKA SOBOTA</b> , Slovenska 27, 9000 Murska Sobota

For the purpose of verification, the offeror (shareholder) shall present to ALTA Invest, d.d., the following documentation, which has to be attached to the binding offer in the attached form (hereinafter: Required Documentation):

- a. Legal persons:
- extract from the court/business register or other institution responsible for company registration, which shall not be older than 3 months and in which the statutory representative or representatives are specified, who signed the authorization form specified in the following paragraph hereof,
  - certified authorization form by the representative for the signing of the binding offer, if the binding offer is carried out by a representative/attorney/proxy rather than the statutory representative,
  - photocopy of a valid personal ID document of the representative
- b. Natural persons:
- photocopy of a valid personal ID document of the offering party, which includes the first and last name, place and date of birth, and the permanent residence address of the offering party;

The binding offer of a shareholder who has not submitted requested documentation will be considered invalid.

Shareholders holding a Trading Account at the company ALTA Invest d.d. as well as other legal entities who meet the conditions for a simplified customer due diligence procedure within the meaning of Article 33 of the ZPPDFT, can submit the binding offer to ALTA also:

- by mail to the address: ALTA Invest d.d., Sprejemna pisarna (Reception Office), Železna cesta 18, Ljubljana, Slovenia, or
- scanned by e-mail to the e-mail address: odkup.sava-re@alta.si, or
- by fax to 00 386 (0)1 3 200 301,

whereby in this case, the time of receipt of the binding offer is considered to be the time when ALTA receives the binding offer from a perspective shareholder in one of the above mentioned ways. If a binding offer is sent by e-mail or fax, the perspective shareholder must send the original binding offer also by regular mail to the address: ALTA Invest d.d., Sprejemna pisarna (Reception Office), Železna cesta 18, Ljubljana, Slovenia; the time of receipt of the original binding offer is not relevant.

For the purpose of identification, if the shareholder as an offeror is not a client of ALTA or a legal person meeting the criteria for simplified client identification and review pursuant to Article 33 of the ZPPDFT, shall submit an offer in person at ALTA or its tied agent, listed above.

The contact at ALTA for any additional questions you may have regarding this OTC buyback programme is:

ALTA Invest d.d.,  
Železna cesta 18,  
1000 Ljubljana, Slovenia  
(Sava Re offer)

Ms. Milena Brodnjak  
Email: odkup.sava-re@alta.si  
Phone: +386 1 3 200 320

Ljubljana, 20.11.2014

Pozavarovalnica Sava, d.d.  
Zvonko Ivanušič, Chairman of the management board  
Mateja Treven, Member of the management board

ALTA Invest d.d.  
Matjaž Albreht, Executive Director  
Igor Taljat, Executive Director

**DISCLAIMER / IMPORTANT NOTICE:**

This invitation with its attachments (hereinafter: "The Invitation") is intended solely for the use of shareholder of Pozavarovalnica Sava, d.d., to who the invitation to submit a binding offer in the OTC buyback programme is addressed to. No actions have been taken to register the invitation to submit a binding offer for the treasury shares in any jurisdiction.

This Invitation can not be construed as an buy-back programme in the meaning of COMMISSION REGULATION (EC) No 2273/2003 as of 22 December 2003. This Invitation can not be construed as an offer to purchase or otherwise acquire the treasury shares. Additionally, this Invitation is not intended to provide any personal investment services or advice, since it does not take into consideration any specific investment objectives, financial context or situation, investor knowledge, investor experience or any particular needs of any specific person that has, for whatever reason, become familiar with the contents of this Document or part of such.

This Invitation has been prepared according to the laws of Republic of Slovenia by Pozavarovalnica Sava, d.d.\* and ALTA\*\*, who is the financial adviser of Pozavarovalnica, Sava, d.d. for the the OTC buyback programme. ALTA has no authority whatsoever to claim any representation or warranty on behalf of the Pozavarovalnica, Sava, d.d.

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\*Pozavarovalnica Sava, d.d., eng. Sava Reinsurance Company d.d., Dunajska cesta 56, 1000 Ljubljana, Slovenia, registered at the district Court of Ljubljana, registration number: 5063825000, ID for DDV: SI 17986141, share capital: 71.856.376,23 EUR; <http://www.sava-re.si/> (in the text: Sava Re); Sava Re is supervised by the Insurance supervision Agency, Trg republike 3, 1000 Ljubljana, Slovenija.

\*\* ALTA Invest, investicijske storitve, d.d., eng. ALTA Invest Inc., Železna cesta 18, 1000 Ljubljana, Slovenia, registered at the district Court of Ljubljana, registration number: 3710432000, ID for DDV: SI89931181, share capital: 2,031,803.00 EUR; [www.alta.si](http://www.alta.si) (in the text: ALTA); ALTA is supervised by the Slovenian Securities Market Agency (Agencija za trg vrednostnih papirjev), Poljanski Nasip 6, 1000 Ljubljana, Slovenia. Other information about services of ALTA and financial instruments, including General terms and conditions on financial instrument operations and other disclosures are available at [http://www.alta.si/Commissions\\_Terms](http://www.alta.si/Commissions_Terms).