

**JUSTIFICATION OF PROPOSALS
FOR 20th REGULAR SESSION OF ASSEMBLY OF PRVA GROUP PLC.
AND SEPARATE MEETING AND VOTING OF CLASS B SHAREHOLDERS**

Justification of Item 1. (Opening of the Assembly, establishing the quorum and electing the bodies of the Assembly) – decision no. 1.1. and 1.2.

For execution of regular yearly session of Assembly, it is necessary to elect bodies of the Assembly. Management Board is competent and responsible to propose to the Assembly election of bodies of Assembly and ensure the presence of the notary.

This item is proposed by Management Board and Supervisory Board.

Justification of:

- **Item 2 (Dealing with written report of the company for the financial year 2016, written report of the Supervisory Board on the result of review of company's audited annual report for the financial year 2016 and information of the Assembly with remuneration of members of Management Board and Supervisory Board in year 2016) – decision no. 2.1. and 2.2.**
- **Item 3 (Proposal for profit distribution for year 2016) – decision no. 3.1., 3.2., 3.3., 3.4., and 3.5.**
- **Item 4 (Discharge to the Management Board and the Supervisory Board) – decision no. 4**

In accordance with first paragraph of Article 282 CA, the Supervisory Board must examine annual report and proposal for distribution of balance sheet profits, which are proposed by Management Board. Based on third paragraph of Article 282 CA, Management Board must submit to the Assembly annual report and Report of Supervisory Board. Annual report and Report of Supervisory Board are evident from the attachments.

In accordance with fifth paragraph of Article 294 CA Management Board must inform shareholders with receipts of members of Management Board and Supervisory Board, which were paid to the in business year 2016, for performing their function. This information is also revealed in annual report of the company.

In accordance with Article 294 CA Assembly must decide on distribution of balance sheet profit, together with decision to of granting the discharge to the Management Board and the Supervisory Board. The law also prescribes that discussion on granting the discharge must be

connected with distribution of balance sheet profits, whereas in regard to decision making, the Management Board must submit to the Assembly annual report and report of Supervisory Board about its results of examination of annual report.

This item is proposed by Management Board and Supervisory Board.

Justification of Item 5 (Appointing the auditor) – decision no. 5

The auditing company KPMG Slovenia, is a part of internationally recognized auditing firm KPMG. The members of the audit team are experts in the field of auditing, information systems and in tax area and they have a many experience with audits of a number of companies, banks and other financial institutions and a very good knowledge of both Slovenian accounting standards, legislation and regulations, as well as the requirements of international accounting standards.

The company notes that there are no restrictions on the independence of the auditor in relation to the company, and proposes to Assembly to appoint an auditor for the financial years 2017, 2018 and 2019. The Company proposes the appointment of an auditor for a period of three financial years in order to harmonize the appointment of the auditor for the same period within group of companies of Prva Group, since the insurance company Prva osebna zavarovalnica, pursuant to Article 258 of the insurance Act, hat to appoint an auditor for the period, which shall not be less than three business years.

Proposed auditor is not involved in any activities with the company, which could cause conflict of interests.

This item is proposed by Management Board and Supervisory Board.

Justification of Item 6 (Information of the Assembly with resignation of Supervisory Board member and election of new member of Supervisory Board) – decision no. 6.1. and 6.2.

The Assembly is informed with resignation which was submitted by a member of the Supervisory Board Mrs. Dariga Sambayeva, on 31.03.2017, and with which her mandate of Supervisory Board member ended.

Under next item of agenda it is proposed the election of Mr. Miha Kranjc as Supervisory Board member, who will replace Mrs. Dariga Sambayeva.

Information on the proposed Supervisory Board member:

MIHA KRANJC has completed the Master Program in Management at Cass Business School in London (specialization Strategic Management), and before that gained a degree at the Faculty of Economics, University of Ljubljana, with the orientation on the banking and financial management.

Miha Kranjc is currently employed at the Prva Group as an expert in finance, accounting and controlling and has 3 years of experience in accounting and finance. From May 2015 he participated in the unification and coordination of the processes of the company DEOS d.d., in setting of a new vision, mission and values of company and in the establishment of a new program of active life of older people. From April 2016 he has also been the director of the company DEOS Nepremičnine, d.o.o., which is engaged in real estate management.

This item is proposed by Supervisory Board.

Justification of Item 7 (Authorization of Management Board for acquisition and disposal of own shares) – decision no. 7.1., 7.2., 7.3., 7.4. and 7.5.

It is proposed to Assembly to issue the authorization to the company to acquire and dispose of own shares. The authorization applies only to regular shares marked PPDM.

The Company may acquire own shares outside the regulated market, but shall at the same time fully respect the principle of equal status of shareholders under Article 221 of the Companies Act in a manner that is offered to all shareholders sold under the same conditions.

Based on authorization to acquire own shares, Management Board of the company can acquire maximum of 29.310 own shares with Security code PPDM, provided that the total percentage of own shares acquired under this authorization, together with other own shares which company already possesses, shall not exceed 10% of the share capital. If greater number of shareholders will express their interest to sell their shares, so that limits set down in indent 7.5. of this decision will be exceeded, than proportional amount of shares will be purchased from each shareholder, taking into regard their initial ownership of with Security code PPDM.

Price per share with Security code PPDM shall not be lower than 65 EUR per share and not higher than 70 EUR per share.

The authorization to acquire own shares with Security code PPDM is given with the purpose to enable to shareholders, who wish do so, to withdraw from the company or dispose their shares with Security code PPDM, and for other purposes (eg. maximization of value company's assets).

In such way acquired own shares with Security code PPDM, can be sold by the company, for the price which is not lower 65 EUR per shares. The company can sell own shares outside regular market.

This item is proposed by Management Board and Supervisory Board.

Report on the reasons for the exclusion of pre-emptive rights of the existing shareholders at the disposal of own shares

The Management Board and Supervisory Board proposed to Assembly to exclude pre-emptive rights of existing shareholders regarding disposal of own shares of the company in order for the company to be able to fast and flexible reaction to market conditions in the equity and other markets and to act according to the purpose of acquisition and disposal of own shares. Such case may be the following: when the company disposes of its own shares for the substitution of shares or stakes in other companies, when it disposes its own shares to a strategic investor or for in other circumstances, when realization of transaction is only possible with exclusion of pre-emption rights of existing shareholders and such transaction is in the interest of the company.

The company will report any change to the status of own shares, in accordance with applicable regulations, so that shareholders will be kept informed on the status of its own shares. The Management Board will also on next Assemblies report to the shareholders on transactions with own shares in terms of achieving long-term strategic goals of the company.

The aim of the acquisition and disposal of own shares is to implement the adopted strategy. This will enable the achievement of the basic objective of the company, namely to maximize the value of the company. In accordance with this, the company believes that the exclusion of pre-emptive rights of shareholders at the disposal of own shares is justified and in the interest of the company and its shareholders.