

## DOCUMENT: PROPOSAL FOR THE APPROPRIATION OF PROFITS

### EXPLANATORY INFORMATION ON ITEMS 1 AND 2 OF THE AGENDA

**Presentation of the approved annual financial statements for 2020 including the management report, the consolidated corporate governance report 2020, the sustainability report - (consolidated non-financial report), the consolidated financial statements for 2020 including the group management report, the proposal for the appropriation of profits and the report of the Supervisory Board (Section 96 of the Austrian Stock Corporation Act [Aktiengesetz/AktG])**

**Resolution on the appropriation of the net profit for the year as per the annual financial statements for 2020**

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The approved financial statements for 2020 including the management report, the consolidated corporate governance report 2020, the sustainability report 2020 (consolidated non-financial report), the consolidated financial statements for 2020 including the group management report, the proposal on the appropriation of profits and the report of the Supervisory Board (Section 96 of the Austrian Stock Corporation Act [Aktiengesetz/AktG]) have been available for inspection at the Company and on the registered website during the period stipulated under Section 108 AktG and continue to be available for inspection and download on the Company's website. The management report and the annual financial statements for 2020 (balance sheet, income statement and the notes) are included in the report on the entire year 2020. The group management report, the consolidated financial statements for 2020 (balance sheet, income statement and the notes), the report of the Supervisory Board and the consolidated corporate governance report 2020 are included in the annual report for 2020. The consolidated corporate governance report 2020 also includes a description of the diversity strategy. The consolidated non-financial report is included in the sustainability report 2020 according to Section 267a (1) Austrian Business Code [Unternehmensgesetzbuch/UGB] in conjunction with Section 267a (6) UGB.

The annual financial statements for 2020, which were prepared by the Managing Board in compliance with statutory provisions, and the management report and the consolidated financial statements for 2020 and the group management report have been audited by the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (FN 269873y) and have been given unqualified audit certificates. In addition, the annual financial statements for 2020 including the management report have been audited by the audit committee of the Supervisory Board and by the Supervisory Board and adopted by the Supervisory Board and have therefore been approved in accordance with Section 96 (4) AktG. Moreover, the audit committee of the Supervisory Board and the Supervisory Board audited the consolidated financial statements for 2020 including the group management report, the consolidated corporate governance report 2020 and the sustainability report 2020 (consolidated non-financial report), found them to be in order and took due note of them.

The present proposal for the appropriation of profits has been available for inspection at the Company and on the registered Company's website during the period stipulated under Section 108 AktG.

This proposal is based on a diligent analysis of the relevant basis for the decision-making taking into account an environment that continues to be characterised by the COVID-19 pandemic and the corresponding recommendations of the regulatory authority. This proposal complies with the applicable legal requirements and considers the expected macroeconomic and financial situation as well as its effects on the Company's solvency and financial position.

The proposal is in line with the continuous prudent and sustainable capital planning to ensure a long-term solid solvency and liquidity position. Thus, the Company takes into account the interests of those covered by insurance, entitled parties as well as shareholders.

The institutional and retail shareholders of the Company rely on a stable dividend policy to provide for a payout ratio between 30% to 50% of Group profits after taxes and non-controlling interests. The shareholders shall participate in the positive result of the financial year irrespective of the COVID-19 pandemic.

The audit committee of the Supervisory Board has studied the proposal for the appropriation of the profit presented by the Managing Board, has found it to be in order and has reported to the Supervisory Board on said audit result. Consequently, the Supervisory Board in its entirety has discussed the present proposal for the appropriation of profits and voted on a resolution to approve said proposal.

## **DOCUMENT: REMUNERATION REPORT**

### **EXPLANATORY INFORMATION ON ITEM 3 OF THE AGENDA**

#### **Resolution on the remuneration report 2020**

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The remuneration report 2020 was available for inspection during the period stipulated by Section 108 of the Austrian Stock Corporation Act [*Aktiengesetz*] at the Company and on the registered Company's website and can still be viewed and downloaded from the Company's website.

The remuneration report 2020 has been prepared for the first time for the financial year 2020 on the basis of the 2019 Stock Corporation Amendment Act [*Aktienrechtsänderungsgesetz 2019*].

The remuneration report 2020 provides a comprehensive overview of the remuneration, including other benefits, which has been paid or is owed to members of the Managing Board as well as the Supervisory Board pursuant to the remuneration policy in the course of the previous financial year.

The remuneration report 2020 for the previous financial year is to be submitted to the Annual General Meeting for approval. The vote acts as a recommendation.

## DOCUMENT: AUDITOR AND GROUP AUDITOR

### EXPLANATORY INFORMATION ON ITEM 11 OF THE AGENDA

#### Election of the auditor and group auditor for the financial year 2022

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KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (FN [Company Register No.] 269873y) has presented to the audit committee of the Supervisory Board and the Supervisory Board a list of the auditing and consultancy services, structured according to service categories, provided to the VIG Group by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and the relevant network as well as the auditor's licence to audit stock corporations. In addition, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has provided assurances that there are no circumstances that might give rise to its impartiality or exclusion of the firm, that protective measures have been taken that ensure an independent and impartial audit, and that the auditing team, other persons in the Company, the auditing firm itself as well as employees of the network have adhered to the relevant professional independence requirements. Moreover, a certificate has been submitted confirming that KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is part of a statutory quality assurance system and has participated in an external quality control and is included in the register of the supervisory authority for auditors [*Abschlussprüferaufsichtsbehörde*] under the registration number 0701115.

The audit committee of the Supervisory Board and the Supervisory Board in its entirety have discussed the election of the auditor and the group auditor and have thoroughly examined the documents presented by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The audit committee of the Supervisory Board and, subsequent to the report presented by the audit committee, the Supervisory Board in its entirety passed resolutions for proposing

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as auditor and group auditor for the financial year 2022.

In accordance with Section 260 (1) of the Insurance Supervision Act [*Versicherungsaufsichtsgesetz/VAG*] the appointment of the auditor and the group auditor takes place before the start of the year under audit, i.e. the 2022 financial year.

## DOCUMENT: AMENDMENT OF Section 10 (2) OF THE ARTICLES OF ASSOCIATION

### EXPLANATORY INFORMATION ON ITEM 12 ON THE AGENDA

#### **Amendment of Section 10 (2) of the Articles of Association to increase the maximum number of the members of the Supervisory Board pursuant to the articles of association to twelve.**

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Pursuant to Article 10 (2) of the Articles of Association in the current version, the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe consist at the most of ten members. The maximum number of Supervisory Board members permitted by the Articles of Association shall be increased to 12 members.

With around 50 insurance companies, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is active in more than 30 countries. The increase of the maximum number of Supervisory Board members permitted by the Articles of Association to 12 members shall enable VIG Group to utilise additional expertise considering the international presence and further growth of VIG Group and also in connection with increasing regulatory requirements. The additional seats shall be filled in line with the Supervisory Board's proposals for two additional members of the Supervisory Board as set out in item 14 on the agenda.

The applicable changes to the Articles of Association can be seen in the comparison of Articles of Association changes available on the Company website registered in the company register.

The proposal to amend § 10 (2) of the articles of association was made available for inspection at the Company and on the Company's website registered in the company register within the period provided for in § 108 AktG.

## **DOCUMENT: INCREASE THE NUMBER SUPERVISORY BOARD MEMBERS**

### **EXPLANATORY INFORMATION ON ITEM 13 ON THE AGENDA**

#### **Increase of the maximum permitted number of the members of the Supervisory Board**

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Upon approval by resolution and registration of the amendments of the Articles of Association proposed in item 12 on the agenda for this Annual General Meeting in the company register, the maximum number of Supervisory Board members permitted by the Articles of Association will be increased from currently ten to twelve.

Taking into account this amendment of the Articles of Association, the number of Supervisory Board members shall be increased in this Annual General Meeting from currently ten to twelve. In this regard, reference is made to the explanatory information in connection with item 12 on the agenda.

The Supervisory Board proposes that the Annual General Meeting passes the following resolution:

The number of the members of the Supervisory Board elected by the Annual General Meeting will be increased from currently ten to twelve.

## DOCUMENT: ELECTION TO THE SUPERVISORY BOARD

### EXPLANATORY INFORMATION ON ITEM 14 ON THE AGENDA

#### Elections to the Supervisory Board

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Currently, the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe fulfils the minimum requirement pursuant to Section 86 (7) of the Stock Corporation Act [*Aktiengesetz/AktG*] and consists of ten members, of which there are four women and six men. In order to fulfil the commitment of a Supervisory Board with twelve members, two members must be elected to the Supervisory Board. Pursuant to Section 86 (7) *AktG*, the Supervisory Board then has to consist of at least four women and at least four men. The minimum quota required by law will thus be satisfied irrespective of the election of the proposed members.

The Supervisory Board proposes that the Annual General Meeting passes the following resolutions:

The following persons will be elected as members of the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe:

Ms Zsuzsanna EIFERT is elected as member to the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe with effect from the registration of the amendment of the Articles of Association pursuant to item 12 on the agenda of this Annual General Meeting in the company register until the end of the Annual General Meeting which passes the resolution on the discharge for financial year 2023.

Mr Robert LASSHOFER is elected as member to the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe with effect from the registration of the amendment of the Articles of Association pursuant to item 12 on the agenda of this Annual General Meeting in the company register until the end of the Annual General Meeting which passes the resolution on the discharge for financial year 2023.

The election is effective with the registration of the amendment of the Articles of Association pursuant to item 12 on the agenda of this Annual General Meeting in the company register until the end of the Annual General Meeting which assesses the resolution on the discharge for the financial year 2023.

Further information in connection with the candidates is provided in the documents made available for inspection at the Company for the period required under Section 108 *AktG*, and which has been published on the Company's website in due time.

Each proposed candidate has already declared that he or she is prepared to accept the position if elected to the Supervisory Board.

The available documents include the curriculum vitae of each candidate attesting to his or her professional qualifications, as well as to his or her professional or other comparable positions. Each candidate has also signed a statement pursuant to Section 87 (2) *AktG* stating that there are no circumstances that could give rise to concerns about impartiality or any final judgements for offences punishable by a court of law that could raise questions about his or her professional integrity.

Each candidate's personal qualifications and experience with respect to VIG's focus on Austria and Central Europe were taken into account when considering the respective candidate nomination proposal. The diversity of the Supervisory Board, i.e. the representation of both genders, age structure and international know-how of its members was appropriately taken into account in addition to the principle of ensuring an appropriate balance of professional expertise among Supervisory Board members.

Mr Lasshofer has declared in accordance with C-Rule 53 of the Austrian Corporate Governance Code that he is not deemed independent within the meaning of the independence criterion defined by the Supervisory Board.

Moreover, the candidate nomination proposal is in compliance with the provisions of the Austrian Stock Corporation Act and rules of the Austrian Corporate Governance Code, as well as the provisions of the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz/VAG*) relating to supervisory boards of insurance companies.