

# Corporate governance report

**Transparency and stakeholder trust are important to us. Observance of and compliance with the provisions of the Austrian Code of Corporate Governance therefore play an important role.**

The Austrian Code of Corporate Governance was introduced in 2002 and is regularly updated according to legislation and current trends. It is the standard for proper corporate governance and control in Austria. Provisions of the Code contribute to strengthening the trust in the Austrian capital market. The report that companies are required to publish on compliance with these provisions requires a high level of transparency.

VIG Holding is committed to application and compliance with the January 2021 version of the Austrian Code of Corporate Governance. § 243c UGB and § 267b UGB (Consolidated Corporate Governance Report) were also applied when preparing this report.

The Austrian Code of Corporate Governance is available to the public both on the VIG Insurance Group website at [www.vig.com/ir](http://www.vig.com/ir) and the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at).

VIG Holding sees corporate governance as a continuously changing process that responds to new conditions and current trends for the benefit of the insurance group as well as for its stakeholders. The goal of all corporate governance measures is to ensure responsible corporate management aimed at long-term growth while simultaneously maintaining effective corporate control.

The Managing Board, Supervisory Board and employees consider observance of and compliance with the rules of the Austrian Code of Corporate Governance to be highly important for the practical implementation of corporate governance. All information on the members, procedures and remuneration of the Managing Board and Supervisory Board are clearly organised and presented below.

The rules of the Austrian Code of Corporate Governance

are divided into the following three categories:

- Rules based on mandatory legal requirements (“Legal Requirement”)
- Rules that must be observed. Non-compliance with these rules must be declared and explained in order to comply with the Code (“Comply or Explain”)
- Non-compliance with rules which are merely recommendations do not need to be disclosed or explained (“Recommendation”)

All of the rules of the Austrian Code of Corporate Governance were observed.

The Group’s scope of consolidation also includes capital market-oriented subsidiaries that are required by the legal systems applicable to them to prepare and publish corporate governance reports. These include: Ray Sigorta (Turkey) and Makedonija Osiguruvanje (North Macedonia). The corporate governance reports can be accessed through their respective company websites: [www.raysigorta.com.tr](http://www.raysigorta.com.tr) (About > Investor Relations), [www.insumak.mk](http://www.insumak.mk) (website link: <https://www.insumak.mk/about-us/financial-reports/?lang=en> as an integral part of the annual report). Reference is made to the information in this regard.

The shareholder structure is available at [www.vig.com/shareholder-structure](http://www.vig.com/shareholder-structure).

## MEMBERS OF THE MANAGING BOARD AND THEIR RESPONSIBILITIES

The VIG Holding Managing Board had the following seven members as of 31 December 2020:

- Elisabeth Stadler (General Manager, Chairwoman of the Managing Board)
- Liane Hirner
- Peter Höfing
- Gerhard Lahner
- Gábor Lehel
- Harald Riener
- Peter Thirring

### Changes during and after the end of the financial year:

Hartwig Löger was appointed to the VIG Holding Managing Board starting 1 January 2021.

Deputy General Manager Franz Fuchs left his position on the Managing Board at the end of his term of office on 30 June 2020.

Further information on the members of the Managing Board, including their employment history, is presented below.



#### **Elisabeth Stadler**

**General Manager (CEO),**

**Chairwoman of the Managing Board**

Year of birth: 1961

Date first appointed: 1 January 2016

End of current term of office:

30 June 2023

**Elisabeth Stadler** studied actuarial mathematics at the Vienna Technical University and began her career in the Austrian insurance industry as a Managing Board Member and Chairwoman. In May 2014, she was awarded the professional title of professor by Federal Minister Gabriele Heinisch-Hosek for her merits for the insurance industry. She held the position of General Manager at Donau Versicherung from September 2014 to March 2016, and has been CEO of VIG Holding since 2016.

**Areas of responsibility:** Management of the VIG Group, Strategy, General Secretariat and Legal, Corporate Social Responsibility, Affiliated companies department, European Affairs, Group Communications & Marketing, Group Sponsoring, Bancassurance and international partnerships, Human Resources

**Country responsibilities:** Austria, Czech Republic

**Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group:** OMV Aktiengesellschaft, voestalpine AG, Institute of Science and Technology Austria, Austrian Red Cross

Elisabeth Stadler is also active in the Supervisory Boards of significant\* Vienna Insurance Group companies: Wiener Städtische (Austria), Donau Versicherung (Austria), Kooperativa (Czech Republic), ČPP (Czech Republic), Compensa Non-Life (Poland), InterRisk (Poland), VIG Re (Czech Republic).

\*All companies that contribute at least 2% of written premiums and at least 2% of profit before taxes are considered to be "significant".



**Liane Hirner, CFO**

Year of birth: 1968

Date first appointed: 1 February 2018

End of current term of office:

31 January 2023

**Liane Hirner** studied business administration in Graz. Before joining VIG Insurance Group, she worked at PwC Austria's audit department where she started in 1993, and when she left, Liane Hirner was partner in the insurance area. In addition to her work as an auditor, Liane Hirner has also been involved in many professional associations, such as the IFRS Working Group of the Austrian Insurance Association and the Insurance Working Party of Accountancy Europe in Brussels. Liane Hirner was appointed to the VIG Holding Managing Board on 1 February 2018. She assumed the position of CFO on 1 July 2018. In 2019, EIOPA appointed Liane Hirner as a new member of the Insurance & Reinsurance Stakeholder Group (IRSG).

**Areas of responsibility:** Finance and accounting, Enterprise Risk Management, Asset-Risk Management, Data Management & Processes

**Country responsibilities:** Germany, Liechtenstein, Belarus



**Peter Höfing**

Year of birth: 1971

Date first appointed: 1 January 2009

End of current term of office:

30 June 2023

**Peter Höfing** studied law at the University of Vienna and University of Louvain-la-Neuve (Belgium). Peter Höfing has been a member of the VIG Holding Managing Board since 1 January 2009. Prior to that, he was a director of the Managing Board at Donau Versicherung, responsible for sales and marketing. He joined this company in 2003. Previously, he held positions as managing board chairman and managing board member outside the insurance group in Hungary, the Czech Republic and Poland.

**Areas of responsibility:** Corporate and large customer business, Vienna International Underwriters (VIU), Group Reinsurance

**Country responsibilities:** Albania, Baltic states, Bulgaria, Kosovo, Montenegro, Nordics, Serbia

Peter Höfing is also active in the Supervisory Boards of significant\* Vienna Insurance Group companies: VIG Re (Czech Republic).

\*All companies that contribute at least 2% of written premiums and at least 2% of profit before taxes are considered to be "significant".



**Gerhard Lahner**

Year of birth: 1977

Date first appointed: 1 January 2020

End of current term of office:

30 June 2023

**Gerhard Lahner** studied business administration at the Vienna University of Economics and Business and has held a variety of positions for VIG Insurance Group since 2002. He was a member of the Managing Boards of Austrian insurance companies Donau Versicherung and Wiener Städtische and Czech companies Kooperativa and ČPP. Gerhard Lahner was also a substitute member of the VIG Holding Managing Board from 1 January 2019 to 31 December 2019.

**Areas of responsibility:** Asset Management, Asset Liability Management, Group Treasury

**Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group:** Wien 3420 Aspern Development AG, Wiener Börse AG, msg life AG

Gerhard Lahner is also active in the Supervisory Boards of significant\* Vienna Insurance Group companies: Kooperativa (Czech Republic), ČPP (Czech Republic), VIG Re (Czech Republic).



**Gábor Lehel**

Year of birth: 1977

Date first appointed: 1 January 2020

End of current term of office:

30 June 2023

**Gábor Lehel** studied business administration with a major in finance in Tatabánya and Budapest (Hungary). He joined VIG Insurance Group in 2003, where he worked in Controlling and as head of the General Secretariat at VIG Holding before being appointed to the Managing Board of the Hungarian insurance company UNION Biztosító in 2008. He was General Manager of UNION Biztosító from mid-2011 to 31 December 2019. From 1 January 2016 to 31 December 2019, he was also a substitute member of the Managing Board of VIG Holding.

**Areas of responsibility:** Actuarial Department, Personal Insurance

**Country responsibilities:** Bosnia-Herzegovina, Croatia, North Macedonia, Hungary

Gábor Lehel is also active in the Supervisory Boards of significant\* Vienna Insurance Group companies: Kooperativa (Slovakia).

\*All companies that contribute at least 2% of written premiums and at least 2% of profit before taxes are considered to be "significant".



**Hartwig Löger**

Year of birth: 1965  
Date first appointed: 1 January 2021  
End of current term of office:  
30 June 2023

**Hartwig Löger** began his career in the insurance industry in the brokerage business in 1985. After completing his studies in insurance management at the Vienna University of Economics and Business, he joined Allianz as sales manager in Styria in 1989. From 1997 to 2002, he was head of sales at DONAU Versicherung. This was followed by a number of senior management positions in the UNIQA Group, most recently as CEO of UNIQA Österreich AG until the end of November 2017. Hartwig Löger was the Minister of Finance for Austria from December 2017 to June 2019. He worked for VIG Insurance Group under an advisory agreement with Wiener Städtische Versicherungsverein, the principal shareholder of VIG Holding, from July 2019 to December 2020.

**Areas of responsibility:** Group Development and Strategy, Planning and Controlling

**Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group:** Managing Partner of V.I.P. Consulting Löger KG (ending)



**Harald Riener**

Year of birth: 1969  
Date first appointed: 1 January 2020  
End of current term of office:  
30 June 2023

**Harald Riener** studied social and economic sciences at the Vienna University of Economics and Business and joined the insurance group in 1998, where he worked in the marketing area for Donau Versicherung and Wiener Städtische until 2001. After working for a media publishing company, he returned to the insurance group in 2006 as Marketing Manager of VIG Holding. He became a member of the Managing Board in Croatia in 2010, and was appointed CEO in 2012. From 2014 to 2019, Harald Riener was a member of the Managing Board of Donau Versicherung where he was responsible for distribution and marketing.

**Areas of responsibility:** Sales Initiatives Customers & SME, Assistance

**Country responsibilities:** Moldova, Poland, Romania, Ukraine

Harald Riener is also active in the Supervisory Boards of significant\* VIG Group companies: Omniasig (Romania), Compensa Non-Life (Poland), Interrisk (Poland).

\*All companies that contribute at least 2% of written premiums and at least 2% of profit before taxes are considered to be "significant".



**Peter Thirring**

Year of birth: 1957

Date first appointed: 1 July 2018

End of current term of office:

30 June 2023

**Peter Thirring** studied law at the University of Vienna. He has used his more than 30 years of insurance experience in the Generali insurance group. He was General Manager of Donau Versicherung from March 2016 to the end of June 2018. Peter Thirring was appointed to the VIG Holding Managing Board on 1 July 2018.

**Areas of responsibility:** Motor and Property Insurance, External Incoming Reinsurance, Group IT, Business Organisation

**Country responsibilities:** Georgia, Slovakia, Turkey

Peter Thirring is also active in the Supervisory Boards of significant\* Vienna Insurance Group companies: Kooperativa (Slovakia), Donau Versicherung (Austria), Wiener Städtische (Austria), VIG Re (Czech Republic).

The **Managing Board** as a whole is responsible for Group Compliance, Internal Audit and Investor Relations.

The curriculum vitae of the members of the Managing Board are available on the website at [www.vig.com/management](http://www.vig.com/management).

\*All companies that contribute at least 2% of written premiums and at least 2% of profit before taxes are considered to be "significant".

## MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board had the following ten members as of 31 December 2020:

**Günter Geyer**  
**Chairman**

Year of birth: 1943

Date first appointed: 2014

End of current term of office: 2024

Günter Geyer joined Wiener Städtische in 1974 and was appointed to the Managing Board in 1988. In 2001, he became General Manager and Chairman of the Managing Board of Wiener Städtische. The insurance group's entry into the CEE market, with the establishment of the Kooperativa insurance companies in Bratislava and Prague and expansion into other CEE countries to become a major international insurance group, began under his leadership. Günter Geyer received many national and international awards for his involvement in these countries. For example, he received an honorary doctorate degree from the University of Economics in Bratislava for his contribution to the development of the insurance industry in the Republic of

Slovakia. Günter Geyer resigned from his position as Chairman of the Managing Board of VIG Holding on 31 May 2012. He has held the position of Chairman of the Supervisory Board of Wiener Städtische since 2009 and Chairman of the Supervisory Board of VIG Holding since 2014. He was also the Chairman of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein, the principal shareholder of Vienna Insurance Group AG Wiener Versicherung Gruppe, until the end of 2020. He has been Chairman of the Supervisory Board of Wiener Städtische Wechselseitiger Versicherungsverein since January 2021.

**Rudolf Ertl**  
**1<sup>st</sup> Deputy Chairman**

Year of birth: 1946

Date first appointed: 2014

End of current term of office: 2024

Rudolf Ertl is Doctor of Laws and has been with the insurance group since 1972. He was a Member of the Managing Board of Wiener Städtische until the end of 2008 and a Member of the Managing Board of Donau Versicherung until June 2009. He was a Member of the Managing Board of Wiener Städtische Wechselseitiger Ver-

sicherungsverein, the principal shareholder of VIG Holding, until the end of 2020 and has been a Member of the Supervisory Board of Wiener Städtische Wechselseitiger Versicherungsverein since January 2021. The insurance expertise he has accumulated over many years, and his knowledge of the CEE region make Rudolf Ertl a major asset to the Company as 1<sup>st</sup> Deputy Chairman of the Supervisory Board.

**Georg Riedl**  
**2<sup>st</sup> Deputy Chairman**

Year of birth: 1959

Date first appointed: 2014

End of current term of office: 2024

After completing his legal studies at the University of Vienna, Georg Riedl has worked as an independent lawyer since 1991. His areas of expertise include company and tax law, mergers & acquisitions, as well as private foundation law and contract law, at which his activities cover national and international transactions.

**Martina Dobringer**

Year of birth: 1947

Date first appointed: 2011

End of current term of office: 2024

Martina Dobringer held various management positions in the Coface group starting in 1989 and brings her extensive knowledge of the international insurance industry with her. As Chairwoman of the Managing Board of Coface Central Europe Holding AG, she laid the cornerstone for Coface's successful expansion into this region. From 2001 to 2011, she was General Manager and Chairwoman of the Managing Board of Coface Austria Holding AG. In 2011, she was awarded the Grand Decoration of Honour in Silver for Services to the Republic of Austria, and in 2006 she became the first Austrian businesswoman to receive the highest French honour ("Chevalier dans l'ordre de la Légion").

**Gerhard Fabisch**

Year of birth: 1960

Date first appointed: 2017

End of current term of office: 2024

Gerhard Fabisch studied business administration and economics. He joined the Steiermärkische Bank und Sparkassen AG in 1985 and was made a member of the Managing Board in 2001 and Chairman of the Managing Board in 2004. Steiermärkische Bank und Sparkassen AG

has a number of affiliated companies abroad, including in Croatia, Serbia and Bosnia-Herzegovina. Gerhard Fabisch is a member of the Board of Directors of ESBG (European Savings and Retail Banking Group) and WSBI (World Savings Banks Institute). He has been President of the Austrian Sparkassenverband since 2014.

**Peter Mihók**

Year of birth: 1948

Date first appointed: 2019

End of current term of office: 2024

Since 1992, Peter Mihók has been Chairman of the Slovakian Chamber of Trade and Industry, Chairman of the World Chambers Federation of the International Chamber of Commerce in Paris and advisor in the EU Economic and Social Committee in Brussels, among other things. He studied at the University of Economics in Bratislava and received a Ph.D. degree in the area of East-West economic relations and an honorary doctorate from the University of Economics in Bratislava. In addition to numerous other awards, he received the Grand Decoration of Honour in Gold for Services Rendered to the Republic of Austria in 2013 from Heinz Fischer, the President of Austria at that time.

**Heinz Öhler**

Year of birth: 1945

Date first appointed: 2002

End of current term of office: 2024

Heinz Öhler joined the Tiroler Gebietskrankenkasse in 1970, where he initially held a position as head of the Finance Department and later held an executive position until 2011. In this position he managed country-wide projects and represented regional health insurance funds in a variety of ministerial committees, among other things. In March 2007, he was awarded the Grand Decoration of Honour in Gold for Services to the Republic of Austria for his work related to Austrian social security. He has held many positions in the sports world, including being appointed as a Member of the Tyrolean State Sports Council in November 2016.

**Gabriele Semmelrock-Werzer**

Year of birth: 1958

Date first appointed: 2017

End of current term of office: 2024

After holding positions at the Austrian branches of Chase Manhattan Bank AG and Crédit Lyonnais AG, Gabriele Semmelrock-Werzer worked for Erste Group Bank AG in a

variety of areas starting in 1995. She headed the Group Investor Relations department from 1999 to 2010, and in addition to international communications also actively assisted the expansion of the Erste Group into the CEE region and spent time in Prague and Bucharest. Since 2011, she has been Chairwoman of the Managing Board of Kärntner Sparkasse AG, which also holds a 70% interest in Sparkasse d.d. in Slovenia.

#### **Katarína Slezáková**

Year of birth: 1976

Date first appointed: 2020

End of current term of office: 2024

Katarína Slezáková graduated from the Faculty of Business Management at the University of Economics in Bratislava and has many years of experience in marketing and communications for technology and industrial companies (e.g. Siemens IT Solutions and Services Slovakia, Siemens s.r.o. Slovakia, Siemens AG Österreich, Medirex a.s.). Katarína Slezáková is currently the Head of Marketing for CzechToll and SkyToll, two companies in the Czech Republic and Slovakia that are leaders in the area of intelligent transport information systems.

#### **Gertrude Tumpel-Gugerell**

Year of birth: 1952

Date first appointed: 2012

End of current term of office: 2024

Gertrude Tumpel-Gugerell was Vice Governor of the National Bank of Austria (OeNB) from 1998 to 2003 and member of the Board of Directors from 1997 to 2003. She also has many years of international experience, at the European level in particular. She was the Austrian Vice Governor to the International Monetary Fund and a member of the Economic and Financial Committee – the most important economic policy advisory committee of the European Union. Gertrude Tumpel-Gugerell was responsible for the Economics and Financial Markets divisions at the National Bank of Austria. From 2003 to 2011, she was a member of the Executive Board of the European Central Bank.

The curriculum vitae of the members of the Supervisory Board are available on the website at [www.vig.com/supervisory-board](http://www.vig.com/supervisory-board).

#### **Changes during the reporting year**

Maria Kubitschek (year of birth: 1962) was a Member and 2<sup>nd</sup> Deputy Chairwoman of the Supervisory Board from 1 January 2020 to 25 September 2020 in the financial year

2020. She left the Supervisory Board on 25 September 2020.

Katarína Slezáková was elected to the Supervisory Board on 25 September 2020.

### **SUPERVISORY BOARD INDEPENDENCE**

In accordance with Rule 53 of the Austrian Code of Corporate Governance, the Supervisory Board of VIG Holding has established the following criteria defining independence:

- The Supervisory Board Member has not been a Member of the Managing Board or a senior manager of the Company or subsidiary of the Company in the last five years.
- The Supervisory Board member does not have a business relationship with the Company or a subsidiary of the Company that is of such significant scope for the Supervisory Board member that it affects his or her activities on the Supervisory Board to the detriment of the Company. This also applies to business relationships with companies in which the Supervisory Board Member has a considerable economic interest. The approval of individual transactions by the Supervisory Board in accordance with § 95 (5) (12) of the Austrian Stock Corporation Act (AktG) or § 15 (2) (I) of the Articles of Association does not automatically lead to a classification of non-independence. For the purpose of clarification, it is expressly noted that purchase or existence of insurance policies with the Company has no adverse effect on independence.
- The Supervisory Board Member has not been an auditor of the Company's financial statements, or held an ownership interest in or been an employee of the auditing company executing such audits in the last three years.
- The Supervisory Board Member is not a member of the Managing Board of another company that has a member of the Company's Managing Board on its Supervisory Board.
- The Supervisory Board Member is not a close family member (direct descendant, spouse, partner, parent, uncle, aunt, brother, sister, niece, nephew) of a Member of the Managing Board or individuals holding one of the positions described above.

The Supervisory Board as a whole is considered to be independent if at least 50% of the members elected by the Annual General Meeting satisfy the criteria above for the independence of a Supervisory Board Member.



Each Member of the Supervisory Board has declared whether they can be considered independent based on the criteria specified by the Supervisory Board. Peter Mihók has stated that he is not independent based on the independence criteria specified by the Supervisory Board. All other Supervisory Board Members were independent based on the criteria indicated.

No Supervisory Board Member holds more than 10% of the Company's shares.

The following Supervisory Board Members exercised supervisory mandates or comparable positions in other Austrian or foreign listed companies as of 31 December 2020:

**Georg Riedl**

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft

**Gertrude Tumpel-Gugerell**

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft  
Commerzbank AG  
OMV Aktiengesellschaft

**PROCEDURES FOLLOWED BY THE MANAGING BOARD AND BY THE SUPERVISORY BOARD AND ITS COMMITTEES**

**Managing Board**

The Managing Board manages the business of the Company under the leadership of its Chairperson and within the constraints of the law, articles of association, procedural rules of the Managing Board and procedural rules of the Supervisory Board.

The Managing Board meets when needed (generally each week or every two weeks) to discuss current business developments and makes the necessary decisions and resolutions during these meetings. The Managing Board Members continuously exchange information with each other and the heads of various departments.

**Supervisory Board**

The Supervisory Board performs all activities defined under the law, articles of association and the procedural rules of

the Supervisory Board. In order to ensure effectiveness and efficiency of its activities and procedures, the Supervisory Board examines its procedures regularly, but at least once a year in the form of a self-evaluation. The Supervisory Board's evaluation of its activities in 2020 found that its organisational structure and procedures were satisfactory in terms of efficiency and in compliance with the law. It found no need for change or desire for change in the practices followed to date.

The Supervisory Board and its committees, Chairpersons and Deputy Chairpersons continuously monitor and regularly examine Company management as well as the activities of the Managing Board in terms of managing and monitoring the Group. Detailed presentations and discussions during meetings of the Supervisory Board and its committees are used for this purpose, as are thorough and, in some cases, in-depth discussions with the members of the Managing Board who provide detailed explanations and supporting documentation relating to the management and financial position of the Company and the Group. Strategy, business development (overall and in individual regions), risk management, the internal control system, internal audit activities, the compliance function, actuarial function and reinsurance – at the VIG Holding level as well as at Group level – are also discussed during these meetings.

The Supervisory Board and the Audit Committee also directly engage with the financial statements auditor and the consolidated financial statements auditor in order to familiarise themselves with the accounting process and audit progress, and to inquire whether the audit has produced any important findings. Provision was made for exchanges between the Members of the Audit Committee and the (consolidated) financial statements auditor in such meetings without the presence of the Managing Board, but no Member of the Audit Committee took advantage of this opportunity during the reporting year. During the meetings about annual and consolidated financial statements, the audit reports are discussed with the audit managers both in the Audit Committee and in the entire Supervisory Board. The Audit Committee examined the Company's Solvency and Financial Condition Report (SFCR) and reported its findings to the Supervisory Board. The Supervisory Board found no grounds for objection.

The internal audit department provides quarterly reports to the Audit Committee. If necessary, the head of internal audit provides detailed explanations of individual issues and audit focal points. The head of internal audit also submits the annual audit plan to the Audit Committee for approval. The Managing Board explains the organisation and effectiveness of the internal control system, internal audit and the risk management system to the Audit Committee at least once a year, and provides the Audit Committee with a written report on this subject so that it can confirm the efficiency of the systems. The Audit Committee also examines the report and assessment of the functioning of the risk management system prepared by the (consolidated) financial statements auditor and reports its findings to the Supervisory Board.

Due to the current situation in connection with COVID-19, the Audit Committee also dealt with the report on the ad hoc ORSA 2020 and reported on this to the Supervisory Board in 2020.

The Audit Committee and Supervisory Board as a whole also received the 2020 sustainability report (consolidated non-financial report) from the Managing Board, and reviewed and carefully examined it.

At least once a year, the Managing Board presents the Supervisory Board with the measures to be taken by the VIG companies in order to prevent corruption, and the Supervisory Board discusses those.

When preparing the nomination to the Annual General Meeting regarding the election of a new Supervisory Board Member, the latter takes the professional and personal requirements set by law and the Austrian Corporate Governance Code into account which a Supervisory Board Member must satisfy and observe.

The Audit Committee and Supervisory Board also strictly ensure that all of the requirements and conditions provided for under the law and Austrian Code of Corporate Governance are fully satisfied when preparing the general meeting proposal on selection of the (consolidated) financial statements auditor. As a public-interest entity, the special additional rules for external and internal rotation appli-

able to insurance companies and the special tendering process are observed. In addition, after the audit of the consolidated financial statements has been completed, the Supervisory Board is provided with a list showing the total audit expenses of all Group companies. This list provides a separate breakdown of expenses relating to the consolidated financial statements auditor and the members of the network to which the consolidated financial statements auditor pertains. The same goes for other financial statements auditors who work for the Group.

The Supervisory Board established five committees to increase its efficiency and to address complex matters: Committee for Urgent Matters (Working Committee), Audit Committee (Accounts Committee), Committee for Managing Board Matters (Personnel Committee), Strategy Committee and Nomination Committee.

The Supervisory Board also dealt with IT security issues in financial year 2020.

The Supervisory Board also dealt with the topic of remuneration policy. The Managing Board and Supervisory Board prepared a remuneration report for financial year 2020.

During the reporting period, the Nomination Committee and Supervisory Board also dealt with the appointment of a new member of the Managing Board. In 2020 the Supervisory Board appointed Hartwig Löger to the Managing Board starting 1 January 2021.

## **SUPERVISORY BOARD COMMITTEES**

### **COMMITTEE FOR URGENT MATTERS (WORKING COMMITTEE)**

The Committee for Urgent Matters (Working Committee) decides on matters that require approval of the Supervisory Board, but cannot be deferred to the next ordinary Supervisory Board meeting because of particular urgency.

**Günter Geyer** (Chairman)

Substitute: Gertrude Tumpel-Gugerell

**Rudolf Ertl**

Substitute: Martina Dobringer

**Georg Riedl**

Substitute: Martina Dobringer

**AUDIT COMMITTEE (ACCOUNTS COMMITTEE)**

The Audit Committee (Accounts Committee) is responsible for the duties assigned to it by law and is, in particular, responsible for the duties assigned in § 92 (4a)(4) of the Austrian Stock Corporation Act (AktG), § 123 (9) of the Austrian Insurance Supervision Act (VAG) and Regulation (EU) No. 537/2014, namely:

1. to monitor the accounting process and provide recommendations or suggestions to ensure its reliability;
2. to monitor the effectiveness of the Company's internal control system and the internal audit function and risk management system;
3. to monitor the audit of the financial statements and consolidated financial statements taking into account findings and conclusions in reports published by the supervisory authority for financial statement auditors in accordance with § 4 (2)(12) of the Austrian Auditor Supervision Act (APAG);
4. to check and monitor the independence of the financial statement auditor (consolidated financial statement auditor), in particular with respect to the additional services provided for the audited company; Art. 5 of Regulation (EU) No. 537/2014 and § 271a (6) UGB apply;
5. to report the results of the financial statement audit to the Supervisory Board and explain how the financial statement audit has contributed to the reliability of the financial reports and the role of the Audit Committee in this;
6. to audit the annual financial statements and prepare their approval, examine the proposal for appropriation of profits, the management report, the solvency and financial condition report and corporate governance report, and present a report on the results of the audit to the Supervisory Board;
7. to audit the consolidated financial statements and Group management report, the solvency and financial condition report at Group level and the corporate governance report

at consolidated level, and report the results of the audit to the Supervisory Board;

8. to perform the procedure to elect the financial statement auditor (consolidated financial statement auditor) taking into account the appropriateness of the fees in accordance with Art. 4 of Regulation (EU) No. 537/2014 and the rotation periods in Art. 17 of Regulation (EU) No. 537/2014, and recommend appointment of a financial statements auditor (consolidated financial statements auditor) to the Supervisory Board in accordance with Art. 16 of Regulation (EU) No. 537/2014.

Furthermore, in a meeting (another meeting, in addition to the meeting required by law), the Audit Committee (Accounts Committee) specifies how the two-way communication between the (consolidated) financial statements auditor and the Audit Committee (Accounts Committee) has to take place, while making provision for exchanges to take place between the Audit Committee (Accounts Committee) and the (consolidated) financial statements auditor without the presence of the Managing Board.

Members of the Audit Committee are experienced financial experts with knowledge and practical experience in finance, accounting and reporting that satisfy the requirements of the Company.

**Chairwoman:**

Gertrude Tumpel-Gugerell

**Deputy Chairwoman:**

Martina Dobringer

**Other members:**

Rudolf Ertl  
Günter Geyer  
Peter Mihók  
Georg Riedl  
Katarína Slezáková

If a member is unable to attend, Gabriele Semmelrock-Werzer will attend the meeting, and if she is also unable to attend, Heinz Öhler will attend. If Gertrude Tumpel-Gugerell is unable to attend, the meeting will be chaired by Martina Dobringer.

#### **COMMITTEE FOR MANAGING BOARD MATTERS (PERSONNEL COMMITTEE)**

The Committee for Managing Board Matters (Personnel Committee) deals with personnel matters of the Managing Board. The Committee for Managing Board Matters therefore decides on employment contract terms with Members of the Managing Board and their remuneration and examines remuneration policies at regular intervals.

**Günter Geyer** (Chairman)

**Rudolf Ertl**

**Georg Riedl**

#### **STRATEGY COMMITTEE**

The Strategy Committee cooperates with the Managing Board and, when appropriate, with experts that it consults in order to prepare fundamental decisions that will subsequently be decided upon by the entire Supervisory Board.

**Günter Geyer** (Chairman)

Substitute: Gertrude Tumpel-Gugereil

**Rudolf Ertl**

Substitute: Martina Dobringer

**Georg Riedl**

Substitute: Gabriele Semmelrock-Werzer

**Peter Mihók**

Substitute: Katarína Slezáková

#### **NOMINATION COMMITTEE**

The Nomination Committee submits proposals to the Supervisory Board for filling positions that become available on the Managing Board and handles issues of successor planning.

**Günter Geyer** (Chairman)

**Rudolf Ertl**

**Georg Riedl**

**Martina Dobringer**

The Supervisory Board gave its consent to VIG Holding and other companies in VIG Insurance Group that allowed them to use the legal services of Georg Riedl, Supervisory Board Member, and engage him or his law firm to act as a

representative and provide advisory services on a project-related basis under normal market terms. Georg Riedl provided consultancy services as a lawyer, for which he received total (net) fees of EUR 5,337.50 plus cash expenses and 20% value added tax in financial year 2020 (of which EUR 5,337.50 plus cash expenses and 20% VAT were for VIG Holding). Supervisory Board Members Gerhard Fabisch and Gabriele Semmelrock-Werzer are members of the managing boards of companies with which distribution agreements were concluded under normal market and industry terms and conditions. The Company did not enter into any other agreements with Supervisory Board Members in 2020 that would have required the approval of the Supervisory Board.

#### **NUMBER OF MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES IN THE FINANCIAL YEAR 2020**

One Annual General Meeting and five Supervisory Board meetings distributed across the financial year were held in 2020. Five meetings of the Audit Committee were also held. The meetings of the Supervisory Board and Audit Committee were held without the physical presence of the participants in accordance with § 1 of the Austrian Corporate COVID-19 Act (COVID-19-GesG). The Annual General Meeting was held as a virtual Annual General Meeting on the basis of § 1 (2) COVID-19-GesG and the COVID-19-GesV. The financial statements and consolidated financial statements auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG), attended three Audit Committee meetings and the Supervisory Board meeting in 2020 that addressed the audit of the 2019 annual financial statements and the 2019 consolidated financial statements as well as formal approval of the 2019 annual financial statements, and also attended the Annual General Meeting. Five meetings of the Committee for Managing Board Matters (Personnel Committee) were held in 2020. The Nomination Committee held one meeting in 2020. The Committee for Urgent Matters (Working Committee) held three meetings in 2020. The Strategy Committee did not meet in 2020. Strategic matters were handled by the Supervisory Board as a whole.

No Member of the Supervisory Board attended less than half of the Supervisory Board meetings.

## MANAGING BOARD AND SUPERVISORY BOARD REMUNERATION

The Company remuneration guidelines are based on the provisions of Solvency II and include standards intended to prevent the remuneration rules from creating incentives to assume excessive risk and to avoid conflicts of interest to the extent possible. The Company guidelines include further provisions for key positions – in particular variable remuneration for these positions – that are generally aimed at promoting sustainability and careful dealing with risks. Corresponding Group guidelines apply to all insurance and reinsurance companies within the insurance group and therefore apply to all significant subsidiaries included in the consolidation scope.

### Remuneration policy for Managing Board Members of the Company

Managing Board remuneration takes into account the importance of the Group and the responsibility that goes with it, the economic situation of the Company, and the appropriateness of the remuneration in the market environment.

The remuneration policy includes, in particular, detailed provisions concerning the relationships between the remuneration components, the provision of a company pension and other details. It also outlines situations in which deviations from the provisions of the remuneration policy are permitted.

In addition to specifying the maximum amount of variable remuneration in relation to fixed remuneration, it also specifies – in accordance with statutory requirements – the relationship between fixed remuneration, contractual bonuses and any special remuneration included in total remuneration.

The remuneration policy describes in detail the provisions concerning Managing Board bonuses that are aimed at ensuring the sustainability of company performance.

The remuneration policy also stipulates that Managing Board members with terms of office beginning in 2020 may only be granted an entitlement to a company pension starting at the beginning of their term of office if they have already held positions in the Group for at least 5 years and

that the maximum amount of the entitlement granted depends on the length of time the position is held.

A variety of fringe benefits provided to Managing Board members, such as anniversary bonuses, company cars and insurance, are also described in detail.

Detailed information for financial year 2020 will be available in the remuneration report, which will be published on the Company website by the legally required deadline.

### Remuneration policy for Supervisory Board Members

The remuneration policy specifies the remuneration to be received by the members of the Supervisory Board, including their objectives and principles, and is to be approved by the Annual General Meeting.

Detailed information for financial year 2020 will be available in the remuneration report, which will be published on the Company website by the legally required deadline.

Supervisory Board remuneration does not include stock options or similar instruments.

## DIVERSITY CONCEPT

With around 50 insurance companies and more than 25,000 employees in Austria and Central and Eastern Europe, VIG Insurance Group combines many countries, languages and cultural backgrounds. Diversity is a key priority in its HR strategy.

VIG Insurance Group follows a bottom-up approach with respect to diversity management for the Company's boards. By applying diversity management to all personnel, the insurance group expects to generate corresponding diversity in the candidate pool for internal successor planning in the long term.

For VIG Insurance Group, diversity reflects both the similarities and the differences it encounters in the Group, its markets and its partners as well as customers. Diversity management is based on genuine appreciation and open acceptance of diversity, and makes conscious use of this diversity. VIG companies include this understanding of diversity in the VIG Code of Business Ethics: *"We do not tolerate any kind of discrimination. We are committed to*

*promoting equal opportunities with regard to the employment and promotion of staff, regardless of their faith, religion, gender, beliefs, ethnicity, nationality, sexual orientation, age, skin colour, disability or civil status.”*

### **Group and VIG Holding level**

The diversity concept focuses on the criteria of gender, generations and internationality at the Group and VIG Holding level, and refined and developed measures for the following criteria:

- **Gender:** Ensure equal gender treatment in all areas (career and development options, benefits and income, etc.)
- **Generations:** Use mixed-age teams and take the various phases of life to develop full potential into account. Generation-appropriate offers and support in the various phases of life, learn from one another, healthy work, fair recruitment
- **Internationality:** Group-wide exchange of know-how (local expertise), collaborative learning, use of the internal Group job market and ensuring an appropriate mix of people from different countries within VIG Holding

The criteria of gender, generations and internationality are also taken into account when new Supervisory Board Members are proposed for election at General Meetings.

VIG Insurance Group has relied on the concept of local entrepreneurship for decades, thereby also promoting a very internationally diverse “community” of Group Managing Board Members and CEOs.

The topic of diversity is a key element in Group-wide management development training programmes, in terms of content as well as the participants and lecturers.

### **Level of the VIG insurance companies**

Based on the principle of local entrepreneurship, the VIG insurance companies choose their own priorities against the background of priorities set for diversity at VIG Holding and at Group level.

### **Diversity Advisor**

As Diversity Advisor, Angela Fleischlig-Tangl advises both VIG Holding and local VIG companies on matters related to diversity management.

## **MEASURES TO PROMOTE WOMEN IN MANAGING BOARD, SUPERVISORY BOARD AND MANAGEMENT POSITIONS**

Appreciation of diversity and, therefore, removing barriers in women’s careers is one of the key elements of the HR strategy at VIG Insurance Group. Gender is one of the three priorities of the diversity concept at both VIG Insurance Group and VIG Holding level.

Nomination procedures for Group-wide training programmes for management, high potentials and experts are also required to have as balanced a gender representation as possible, with the local human resources department bearing ultimate responsibility.

### **Female Supervisory Board Members**

Women hold 21.8% of the positions on the Supervisory Boards of the fully consolidated VIG insurance companies across Europe (as of 31 December 2020) and 40.0% of the Supervisory Board positions in VIG Holding.

### **Female Managing Board Members**

Women hold 25.4% of the positions on the Managing Boards of the fully consolidated VIG insurance companies and 23.7% of the Chairpersons are women. Elisabeth Stadler is the Chairwoman of the VIG Group.

### **Females in management positions**

Including distribution, women hold 45.9% of the management positions at the level directly below the managing board of fully consolidated VIG insurance companies across Europe (not including distribution: 52.1%).

## **GENERATIONS AND INTERNATIONALITY**

The average age of all Managing Board Members of the fully consolidated insurance companies is 49.5 years (as of 31 December 2020), and the average age of Supervisory Board Members is 56.7 years. 21 different nationalities (based on citizenship) are represented in the Managing Boards of the fully consolidated VIG insurance companies, and 19 different nationalities in the Supervisory Boards. Further information is available in the Employees section of the Sustainability Report.

## EXTERNAL EVALUATION REPORT

C-Rule 62 of the Austrian Code of Corporate Governance provides voluntary external evaluation of compliance with the C-Rules of the Code at least every three years. VIG Holding had this evaluation performed for the 2020 consolidated cor-

porate governance report. All of the evaluations came to the conclusion that all requirements in the Code had been observed. The summarised information on these evaluations is available on the website of VIG Insurance Group.

Vienna, 17 March 2021

The Managing Board:



**Elisabeth Stadler**  
General Manager (CEO),  
Chairwoman of the  
Managing Board



**Liane Hirner**  
CFO, Member of the  
Managing Board



**Peter Höfinger**  
Member of the Managing Board



**Gerhard Lahner**  
Member of the Managing Board



**Gábor Lehel**  
Member of the Managing Board



**Hartwig Löger**  
Member of the Managing Board



**Harald Riener**  
Member of the Managing Board



**Peter Thirring**  
Member of the Managing Board