

# Supervisory Board report

The Supervisory Board and its committees, Chair and Deputy Chairs periodically and repeatedly monitored in detail the management of the Company and the activities of the Managing Board in connection with its management and monitoring of the Group. This purpose was served by detailed presentations and discussions during meetings of the Supervisory Board and its committees as well as by detailed discussions on individual topics with Managing Board members who provided comprehensive explanations and evidence relating to management, the financial position of the Company and that of the Group. Among other things, the strategy, business development (overall and in individual regions), risk management, the internal control system, internal audit, compliance function and actuarial function activities and reinsurance, both at the VIG Holding and Group level, and other important topics for the Company and VIG Insurance Group were discussed during these meetings.



VIG Holding is committed to social responsibility and the importance of having employees drive forward performance, innovation and expertise. In accordance with the Solvency II requirements, starting in 2016 non-financial aspects must be part of the performance expectations for variable remuneration of Managing Board Members. Goal fulfilment for Managing Board Members also depended on both financial and non-financial criteria in the 2022 reporting year. Detailed information on the principles underlying the remuneration system is available in the remuneration policy and 2022 remuneration report.

The Supervisory Board has formed five committees from its Members. Information on the responsibilities and composition of these committees is available on the Company's website and in the 2022 consolidated corporate governance report.

One Annual General Meeting and four Supervisory Board meetings distributed across the financial year were held in 2022. Four meetings of the Audit Committee (Accounts Committee) were also held. 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 fi-

ancial statement and consolidated financial statement auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, FN 269873y (KPMG), attended three Audit Committee meetings and three Supervisory Board meetings in 2022, including the Supervisory Board meeting that addressed the audit of the 2021 annual financial statements and the 2021 consolidated financial statements as well as formal approval of the 2021 annual financial statements, and also attended the Annual General Meeting. KPMG also informed the Audit Committee about the planning and procedure used to audit the financial statements and consolidated financial statements. Two meetings of the Committee for Managing Board Matters (Personnel Committee) were held in 2022. The Committee for Urgent Matters (Working Committee) met twice and passed one resolution by circulation. The Nomination Committee met twice. The Strategy Committee did not meet in 2022. Strategic matters were handled by the Supervisory Board as a whole.

No agenda items were discussed in Supervisory Board meetings in 2022 without the participation of members of the Managing Board.

No Member of the Supervisory Board attended less than half of the Supervisory Board meetings. Detailed information on meeting attendance by Supervisory Board members in financial year 2022 is available in the 2022 Corporate Governance Report.

In order to ensure the effectiveness and efficiency of its activities and procedures, the Supervisory Board performed a self-evaluation of its procedures. The Supervisory Board's evaluation of its activities 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.

Acting upon the proposal and motion of the Supervisory Board, the general meeting of 21 May 2021 selected KPMG to be the financial statements auditor and consolidated financial statements auditor for the financial year 2022, and KPMG consequently performed these duties in the financial year 2022.

The Audit Committee mainly dealt with the following topics in 2022:

During one meeting of the Audit Committee, the members of the committee consulted with the (consolidated) financial statements auditor on specification of two-way communications and audit planning.

By inspecting relevant documents, meeting with the Managing Board and discussions with the (consolidated) financial statements auditor, the Audit Committee was able to monitor the accounting process and the procedure used for auditing the financial statements and consolidated financial statements, and found no facts or circumstances providing grounds for objection. The Audit Committee also reviewed the possibilities of providing recommendations or suggestions to ensure the reliability of the accounting process and, based on the comprehensive information and documents obtained by the Audit Committee during its review, found that the processes that had been established were adequate.

The Audit Committee also reviewed and monitored the independence of the auditor of the financial statements and consolidated financial statements, and after reviewing suitable documents and supporting records submitted to the Committee, particularly with respect to the appropriateness of the fee and the additional services provided to the Company, was satisfied with the auditor's independent status. The Audit Committee also dealt with permitted non-audit services. While reviewing and monitoring the independence of the financial statements auditor and consolidated financial statements auditor, the Audit Committee did not find any circumstances that would raise doubts about its independence and impartiality.

The Audit Committee also dealt with the VIG Holding and VIG Group ORSA reports and the IT security report in 2022 and reported on them to the Supervisory Board. The Audit Committee monitored the effectiveness of the internal control system, internal audit and the risk management system by obtaining descriptions of the processes and organisation of these systems from the Managing Board, the (consolidated) financial statements auditor and the individuals directly responsible for these areas and deemed them, including the IT security measures, to be effective.

The Audit Committee reported on these monitoring activities to the Supervisory Board and stated that no deficiencies had been identified. The Supervisory Board was also given the opportunity during Supervisory Board meetings to verify the functional adequacy of the existing control and

auditing systems. In addition, the audit plan and the quarterly reports prepared by the internal audit department were debated by the Audit Committee and the Supervisory Board and discussed with the head of the internal audit department and the Group internal audit department.

The Audit Committee examined the Solvency and Financial Condition Reports (SFCRs) at both the solo and Group levels and reported its findings to the Supervisory Board. No facts or circumstances were found that would have provided grounds for objection.

In accordance with the Audit Regulation (Regulation (EU) No 537/2014), the Audit Committee conducted a selection procedure to appoint the auditor of the (consolidated) financial statements for the financial year 2023. This resulted in a justified recommendation with a preference for KPMG being submitted to the Supervisory Board. It was determined that there were no grounds for exclusion of KPMG or circumstances that would give rise to concerns about impartiality, and that sufficient protective measures had been taken to ensure an independent and impartial audit. The Supervisory Board followed the recommendation of the Audit Committee. The General Meeting selected KPMG as auditor of the financial statements and consolidated financial statements for 2023.

The Audit Committee also received the 2022 annual financial statements, management report, 2022 consolidated corporate governance report and 2022 sustainability report (consolidated non-financial report) from the Managing Board, and reviewed and carefully examined them. The Managing Board's proposed appropriation of profits was also reviewed with respect to capital adequacy and its effects on the solvency and financial position of the Company during the course of this examination.

The Audit Committee also examined the 2022 consolidated financial statements and Group management report. In addition, the auditor's reports prepared by (consolidated) financial statements auditor KPMG for the 2022 annual financial statements and management report and the 2022 consolidated financial statements and Group management report were reviewed by the Audit Committee and examined. As a result of this examination, a unanimous resolution was adopted to recommend to the Supervisory Board that the annual financial statements be accepted. The Supervisory Board found no grounds for objection.

The (consolidated) financial statements auditor provided the Audit Committee with an additional report in accordance with Art. 11 of the Audit Regulation (EU) that explained the results of the financial statements audit and consolidated financial statements audit. This additional report prepared by the financial statements auditor was also provided to the Supervisory Board.

The Supervisory Board dealt with the following topics in particular:

The audit results and all resolutions adopted by the Audit Committee were reported to the Supervisory Board in its next meeting.

The Supervisory Board also dealt with IT security issues in financial year 2022.

The Managing Board and Supervisory Board prepared a remuneration report for financial year 2022.

In its meeting on 13 September 2022, the Supervisory Board reappointed Ms Hirner to the Managing Board. At its meeting on 29 November 2022, the Supervisory Board, on the recommendation of the Nomination Committee, appointed Mr Löger to the position of Chairman of the Managing Board (General Manager) and Mr Höfinger to the position of Deputy Chairman of the Managing Board (Deputy General Manager) with effect from 1 July 2023. Furthermore, in its meeting on 29 November 2022, the Supervisory Board reappointed Mr Lahner, Mr Lehel and Mr Riener to the Managing Board with effect from 1 July 2023. All Managing Board terms will expire on 30 June 2027. Ms Stadler and Mr Thirring will, at their own request, not extend their terms on the Managing Board when they expire on 30 June 2023.

The 2022 annual financial statements together with the management report and 2022 consolidated corporate governance report, the 2022 consolidated financial statements together with the Group management report, and the Managing Board's proposed appropriation of profits were taken up and examined in detail by the Supervisory Board. The proposed appropriation of profits was checked, in particular, to ensure that it was reasonable when capital requirements were taken into account. The proposal complies with applicable legal requirements and proactively

considers the macroeconomic and financial situation and its impact on the company's solvency and financial position. The proposal is in line with the continuously pursued prudent and sustainable capital planning to ensure a solid solvency and liquidity position in the long term.

In 2022, the Managing Board of VIG Holding informed the members of the Supervisory Board of material sustainability and IT security matters. For example, in the reporting year, sustainability was treated as a key element of the company's VIG 25 strategy and of the expansion of environmentally friendly investments.

The Supervisory Board also received the 2022 sustainability report (consolidated non-financial report) examined by KPMG from the Managing Board, and reviewed and carefully examined it. As a result of this examination, it found that the 2022 sustainability report (consolidated non-financial report) had been prepared properly and was appropriate. The Supervisory Board found no grounds for objection.

In addition, the auditor's reports prepared by (consolidated) financial statements auditor KPMG for the 2022 annual financial statements and management report and the 2022 consolidated financial statements and Group management report were reviewed by the Supervisory Board and examined. KPMG's audit of the 2022 annual financial statements and management report and the 2022 consolidated financial statements and Group management report did not lead to any reservations. KPMG determined that the annual financial statements comply with statutory requirements and give a true and fair view of the net assets and financial position of the Company as of 31 December 2022, and of the results of operations of the Company for the financial year 2022 in accordance with Austrian generally accepted accounting principles. The management report is consistent with the annual financial statements. The disclosures pursuant to § 243a UGB (Austrian Commercial Code) are appropriate. KPMG further determined that the consolidated financial statements also comply with statutory requirements and give a true and fair view of the net assets and financial position of the Group as of 31 December 2022, and of the results of operations and cash flows of the Group for the financial year 2022 in accordance with the IFRS as adopted by the EU and § 138 of the Austrian Insurance Supervision Act (VAG) in combination with § 245a of the Austrian Commercial Code (UGB). The Group management

report is consistent with the consolidated financial statements. KPMG also reviewed the 2022 sustainability report (consolidated non-financial report) and determined in accordance with § 269 (3) UGB that the 2022 consolidated corporate governance report had been prepared.

The final results of the review by the Supervisory Board also provided no grounds for objection. The Supervisory Board stated that it had nothing to add to the auditor's reports for the financial statements and consolidated financial statements.

After thorough examination, the Supervisory Board therefore adopted a unanimous resolution to approve the 2022 annual financial statements prepared by the Managing Board,

not to raise any objections to the management report, the 2022 consolidated financial statements and Group management report, the 2022 consolidated corporate governance report and the 2022 sustainability report (consolidated non-financial report) and to agree with the Managing Board-proposed appropriation of profits.

The 2022 annual financial statements have therefore been approved in accordance with § 96 (4) of the Austrian Stock Corporation Act (AktG).

The Supervisory Board proposes to the General Meeting that it approves the Managing Board's proposed appropriation of profits and formally approves the actions of the Managing Board and Supervisory Board.

Vienna, April 2023

The Supervisory Board:



Günter Geyer (Chairman)