

# 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 in Vienna Insurance Group.**

The Austrian Code of Corporate Governance was introduced in 2002 and is amended periodically to account for changes in the law and current trends. It is the standard for good corporate governance and control in Austria. The provisions of the Code contribute to the strengthening of trust in the Austrian capital market, and the report that companies are required to publish on compliance with these provisions requires a high level of transparency.

Vienna Insurance Group views corporate governance as a continuous process that changes in response to new conditions and current trends and must be continuously improved for the benefit of the Group and all 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 Vienna Insurance Group Managing Board, Supervisory Board and employees all 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. The Vienna Insurance Group's declaration of adherence to the Code, discussions regarding the areas of deviation, and detailed information on the composition of, procedures followed by, and the compensation of the Managing Board and Supervisory Board are clearly organized and presented below.

Vienna Insurance Group is committed to the application of and compliance with the July 2012 version of the Austrian

Code of Corporate Governance. The rules are divided into the following three categories:

- Rules based on mandatory legal requirements ("Legal Requirement")
- Rules based on standard international requirements. Non-compliance with these rules must be declared and explained in order to comply with the Code ("Comply or Explain")
- Rules that merely possess the character of recommendations. Non-compliance with these rules need not necessarily be disclosed or explained ("Recommendation")

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

VIG complies with all of the "Legal Requirement" of the Austrian Code of Corporate Governance as required by law. Vienna Insurance Group deviates from one "Comply or Explain" rule, as explained below:

## **Rule 41:**

The Supervisory Board shall set up a nomination committee. In cases of Supervisory Boards with no more than six members (including employee representatives), this function may be exercised by all members jointly. The nomination committee submits proposals to the Supervisory Board for filling positions that become free in the Managing Board and deals with issues of successor planning.

Explanation: Because of its special importance, the issue of successor planning is handled by the Supervisory Board as a whole. The Vienna Insurance Group Supervisory Board has therefore not established a nomination committee.

## Members of the Managing Board and areas of responsibility as of 1 January 2015

The Vienna Insurance Group Managing Board has four members:



**Peter Hagen**  
**General Manager**

Year of birth: 1959  
Date first appointed: 2004  
End of current term of office:  
30 June 2018

**Peter Hagen** has been a member of the Managing Board since 1 July 2004. Prior to that, he managed the General Secretariat, the international division and the Group's reinsurance unit. From January 1998 to December 2002, Mr Hagen was a member of the Managing Board of the Group's Kooperativa companies, and from November 2007 to December 2009, he was Deputy General Manager and Member of the Managing Board of Kooperativa (Czech Republic). He played a key role in the establishment of the Group reinsurance company VIG Re in 2008. Mr Hagen has been Chairman of the Managing Board and General Manager since 1 June 2012.

**Areas of responsibility:** Group management, strategic planning, European matters, public relations, sponsoring, people management, performance management motor vehicle insurance, IT/SAP smile solutions, international processes and methods, business development

**Country responsibilities:** Austria (incl. s Versicherungsgruppe coordination), Romania (Asirom, BCR Life), Czech Republic

**Positions held on the Supervisory Boards of other Austrian and foreign companies outside of the Group:** voestalpine AG



**Franz Fuchs**

Year of birth: 1953  
Date first appointed: 2009  
End of current term of office:  
30 June 2018

**Franz Fuchs** began his career in the insurance industry as an actuary. He held leading management positions in other international companies as a specialist in life insurance and pension funds before joining Vienna Insurance Group. Franz Fuchs was Chairman of the managing board of Compensa Non-life and Compensa Life from 2003 to April 2014. He has been Chairman of the managing board of VIG Polska since 2006. He was first appointed to the Vienna Insurance Group Managing Board on 1 October 2009.

**Areas of responsibility:** Performance management personal insurance, asset risk management

**Country responsibilities:** Baltic States, Moldova, Poland, Romania (Omniasig), Ukraine

**Positions held on the Supervisory Boards of other Austrian and foreign companies outside of the Group:** C-QUADRAT Investment AG



**Peter Höfinger**

Year of birth: 1971  
Date first appointed: 2009  
End of current term of office:  
30 June 2018

**Peter Höfinger** has been a member of the Vienna Insurance Group Managing Board since 1 January 2009. Prior to that, he was director of the Managing Board of Donau Versicherung. Mr Höfinger joined this company in 2003. Previously, he held management positions outside the Group in Hungary, the Czech Republic and Poland.

**Areas of responsibility:** International corporate and large customer business, Vienna International Underwriters (VIU), reinsurance; business development

**Country responsibilities:** Albania (incl. Kosovo), Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Serbia, Slovakia



**Martin Simhandl, CFO**

Year of birth: 1961  
Date first appointed: 2004  
End of current term of office:  
30 June 2018

**Martin Simhandl** began his career with the Group in 1985 in the legal department of Wiener Städtische. In 1995, he became head of the subsidiaries department, and in 2003 he took over coordination of the Group's investment activities. In 2002 and 2003, Mr Simhandl was also a member of the Managing Boards of InterRisk Non-life and InterRisk Life in Germany, with responsibility for the areas of property insurance, reinsurance and planning/controlling. On 1 November 2004, Mr Simhandl was appointed to the Managing Board of the Company.

**Areas of responsibility:** Asset management, subsidiaries department, finance and accounting, internal capital model project (Solvency II project), legal matters, treasury/capital market

**Country responsibilities:** Germany, Georgia, Liechtenstein, Turkey

**Positions held on the Supervisory Boards of other Austrian and foreign companies outside of the Group:** CEESEG Aktiengesellschaft, Ringturm Kapitalanlagen GmbH, Wiener Hafen Management GmbH, Wien 3420 Aspern Development AG, Wiener Börse AG

The Managing Board as a whole is responsible for enterprise risk management/Solvency II, the actuarial department, general secretariat, Group compliance, Group controlling, internal audit and investor relations.

The following two substitute members were also appointed to the Managing Board, and will become members of the Managing Board if a member of the Managing Board becomes permanently incapable of performing his or her duties:

**Martin Diviš (year of birth: 1973)**

**Judit Havasi (year of birth: 1975)**

**Members of the Supervisory Board as of 31 December 2014:****Günter Geyer**  
**Chairman**

Year of birth: 1943  
Date first appointed: 2014  
End of current term of office: 2019

**Karl Skyba**  
**Deputy Chairman**

Year of birth: 1939  
Date first appointed: 1992  
End of current term of office: 2019

**Bernhard Backovsky**

Year of birth: 1943  
Date first appointed: 2002  
End of current term of office: 2019

**Martina Dobringer**

Year of birth: 1947  
Date first appointed: 2011  
End of current term of office: 2019

**Rudolf Ertl**

Year of birth: 1946  
Date first appointed: 2014  
End of current term of office: 2019

**Maria Kubitschek**

Year of birth: 1962  
Date first appointed: 2014  
End of current term of office: 2019

**Heinz Öhler**

Year of birth: 1945  
Date first appointed: 2002  
End of current term of office: 2019

**Reinhard Ortner**

Year of birth: 1949  
Date first appointed: 2007  
End of current term of office: 2019

**Georg Riedl**

Year of birth: 1959  
Date first appointed: 2014  
End of current term of office: 2019

**Gertrude Tumpel-Gugerell**

Year of birth: 1952  
Date first appointed: 2012  
End of current term of office: 2019

**Supervisory Board independence**

In accordance with Rule 53 of the Austrian Code of Corporate Governance, the Supervisory Board of Vienna Insurance Group 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 significant 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 the 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 doing such auditing 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 to be considered independent if at least 50% of the members elected by the general meeting satisfy the criteria above for independence of a Supervisory Board member.

All members of the Supervisory Board have declared whether they can be considered independent based on the criteria specified by the Supervisory Board. The following members are independent in terms of the points mentioned above: Karl Skyba, Bernhard Backovsky, Martina Dobringer, Maria Kubitschek, Heinz Öhler, Reinhard Ortner, Georg Riedl, Gertrude Tumpel-Gugerell.

No member of the Supervisory Board is a shareholder holding more than 10% of the shares of the Company or represents the interests of such a shareholder.

The following members of the Supervisory Board held supervisory board positions or comparable positions in Austrian or foreign listed companies as of 31 December 2014:

**Martina Dobringer**  
Praktiker AG

**Georg Riedl**  
AT&S Austria Technologie und Systemtechnik AG  
Bwin.Party Digital Entertainment Plc

**Gertrude Tumpel-Gugerell**  
Commerzbank AG

### **Supervisory Board Committees**

The following qualified Supervisory Board committees were formed to increase the efficiency of the Supervisory Board and deal with complex issues:

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

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

**Günter Geyer** (Chairman)  
1<sup>st</sup> Substitute member: Gertrude Tumpel-Gugerell  
2<sup>nd</sup> Substitute member: Reinhard Ortner

**Karl Skyba** (Deputy Chairman)  
1<sup>st</sup> Substitute member: Georg Riedl  
2<sup>nd</sup> Substitute member: Reinhard Ortner

#### **Rudolf Ertl**

1<sup>st</sup> Substitute member: Martina Dobringer  
2<sup>nd</sup> Substitute member: Reinhard Ortner

#### **AUDIT COMMITTEE (ACCOUNTS COMMITTEE)**

The Audit Committee (Accounts Committee) is responsible for the duties assigned by § 92(4a) of the Austrian Stock Corporation Act, namely:

1. Monitoring the accounting process;
2. Monitoring the effectiveness of the Company's internal control system, internal auditing system and risk management system;
3. Monitoring audits of the financial statements and consolidated financial statements;
4. Examination and monitoring of the independence of the financial statements auditor (consolidated financial statements auditor), in particular with respect to additional services provided for the audited company;
5. Auditing of the annual financial statements and preparations for their approval, examination of the proposal for appropriation of profits, management report and corporate governance report, and presentation of a report on the audit findings to the Supervisory Board;
6. Auditing of the consolidated financial statements and Group management report, and presentation of a report on the audit findings to the Supervisory Board of the parent company;
7. Preparation of the Supervisory Board proposal for choosing the financial statements auditor (consolidated financial statements auditor).

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 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.

All of the 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.

**Gertrude Tumpel-Gugerell** (Chairwoman)

1<sup>st</sup> Substitute member: Georg Riedl

2<sup>nd</sup> Substitute member: Heinz Öhler

**Reinhard Ortner**

1<sup>st</sup> Substitute member: Martina Dobringer

2<sup>nd</sup> Substitute member: Heinz Öhler

**Günter Geyer**

1<sup>st</sup> Substitute member: Maria Kubitschek

2<sup>nd</sup> Substitute member: Heinz Öhler

**Rudolf Ertl**

1<sup>st</sup> Substitute member: Karl Skyba

2<sup>nd</sup> Substitute member: Heinz Öhler

**COMMITTEE FOR MANAGING BOARD MATTERS  
(COMPENSATION COMMITTEE)**

The Committee for Managing Board Matters (Compensation Committee) deals with Managing Board personnel matters. The Committee for Managing Board Matters therefore decides on the terms of employment contracts with members of the Managing Board and their compensation, and examines remuneration policies at regular intervals.

**Günter Geyer** (Chairman)

**Karl Skyba** (Deputy Chairman)

Substitute member: Rudolf Ertl

**STRATEGY COMMITTEE**

The Strategy Committee works together with the Managing Board and, when appropriate, with experts that it consults, to prepare fundamental decisions that must then be decided on by the Supervisory Board as a whole.

**Günter Geyer** (Chairman)

1<sup>st</sup> Substitute member: Gertrude Tumpel-Gugerell

2<sup>nd</sup> Substitute member: Reinhard Ortner

**Karl Skyba** (Deputy Chairman)

1<sup>st</sup> Substitute member: Georg Riedl

2<sup>nd</sup> Substitute member: Reinhard Ortner

**Rudolf Ertl**

1<sup>st</sup> Substitute member: Martina Dobringer

2<sup>nd</sup> Substitute member: Reinhard Ortner

The Supervisory Board gave its consent in 2014 for VIG Holding and the other companies in the VIG Group to use the legal services of Georg Riedl, Member of the Supervisory Board, and engage him or his law firm to act as a representative and provide advisory services on a project-related basis at normal market terms. Georg Riedl provided legal advisory services to the Group resulting in (net) fees of EUR 110,374.98 in financial year 2014. Other than this, the Company did not enter into any contracts with members of the Supervisory Board in 2014 that would have required Supervisory Board approval.

**Procedures followed by the Managing Board and Supervisory Board**

**Managing Board**

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

The Managing Board usually meets once a week to discuss current business developments, and makes necessary decisions and resolutions during the course of those meetings. The members of the Managing Board continuously exchange information with each other and the heads of the various departments.

**Supervisory Board**

The Supervisory Committee performs all activities defined under the law, articles of association and rules of procedure of the Supervisory Committee. In order to ensure the effectiveness and efficiency of its activities and procedures, the Supervisory Board examines its procedures regularly in the form of a self-evaluation at least once per year. The results of the self-evaluation once again show in 2014 that the practices used meet the requirements of the Austrian

Stock Corporation Act and the Austrian Code of Corporate Governance and that the organisation and procedures of the Supervisory Board are appropriate and satisfactorily efficient for the business activities and business volume of the Company and Group as a whole. Requests and comments made by members of the Supervisory Board during this self-evaluation are taken into account.

The Supervisory Board and its committees, Chairman and Deputy Chairman continuously monitor and periodically examine the management of the Company. Detailed presentations and discussions during Supervisory Board and Supervisory Board Committee meetings serve this purpose, as do recurring discussions between, in particular, the executive committee of the Supervisory Board and the members of the Managing Board, who provide comprehensive explanations and supporting documentation relating to the management and financial position of the Company and the Group. The Company's strategy, business development, risk management, internal control system, activities of the internal audit department, preparations for Solvency II and IT strategy are also discussed at Supervisory Board meetings and in meetings with the Managing Board. The Supervisory Board holds closed Supervisory Board meetings with the Managing Board to discuss policy issues and set the long-term growth strategy.

The Supervisory Board and Audit Committee also hold direct discussions with the financial statements auditor and the consolidated financial statements auditor in order to inform themselves regarding the accounting process and the progress of the audit and to inquire whether the audit has produced any material 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 made use of this opportunity during the financial year. The audit reports are discussed and debated in detail with the audit managers during Audit Committee and Supervisory Board meetings regarding the annual financial statements and consolidated financial statements.

The Supervisory Board also receives quarterly reports from the internal audit department and asks the head of internal audit to provide detailed explanations of individual issues and audit focal points if necessary. The annual audit plan is submitted to the Supervisory Board. The Managing Board explains the organisation and operation of the risk management system and internal control system to the Supervisory Board at least once per year, and provides the Supervisory Board 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.

At least once per year, the Managing Board presents to the Supervisory Board the precautions taken in the Group to prevent corruption and the Supervisory Board discusses these measures.

When preparing general meeting proposals concerning the election of new Supervisory Board members, the Supervisory Board takes into account the requirements of the law and the Austrian Code of Corporate Governance that members of the Supervisory Board must satisfy and observe. Particular attention is paid to ensuring appropriate diversity in the sex, age and international distribution of the members.

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. 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 for all Group companies. This list provides a separate breakdown according to expenses for the consolidated financial statements auditor, the members of the network to which the consolidated financial statements auditor belongs, and other financial statement auditors working for the Group.

The Supervisory Board has formed four committees from among its members, a Committee for Urgent Matters (Working Committee), an Audit Committee (Accounts Committee), a Committee for Managing Board Matters (Compensation Committee) and a Strategy Committee. Detailed information on these committees is provided in the "Supervisory Board committees" section.

#### **Number of meetings of the Supervisory Board and its committees in financial year 2014**

One ordinary general meeting and five Supervisory Board meetings distributed across the financial year were held in 2014. Four meetings of the Audit Committee were also held. The financial statements and consolidated financial statements auditor for financial year 2013 and auditor for financial year 2014, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG), attended three meetings of the Audit Committee and the meeting of the Supervisory Board in 2014 dealing with the auditing of the 2013 annual financial statements and the 2013 consolidated financial statements and formal approval of the 2013 annual financial statements, as well as the general meeting. The Committee for Urgent Decisions was contacted in writing on two occasions. Two meetings of the Committee for Managing Board Matters were held in 2014. The Strategy Committee did not hold any meetings in 2014; strategic matters were handled by the Supervisory Board as a whole.

No agenda items were discussed in the Supervisory Board and committee meetings without the participation of members of the Managing Board. No member of the Supervisory Board attended fewer than half of the Supervisory Board meetings.

#### **Disclosure of information on Managing Board and Supervisory Board compensation**

##### **Compensation plan for members of the Managing Board**

Managing Board compensation takes into account the importance of the Group and the responsibility that goes

with it, the economic situation of the Company, and the market environment.

The variable portion of the compensation emphasises the need for sustainability in a number of ways. Its Achievement depends to a large extent on satisfying performance criteria that extend beyond a single financial year.

The performance-related compensation is limited. The maximum performance-related compensation that the Managing Board can receive by overachieving all of its targets in financial year 2014 is approximately the same as its fixed salary. The awarding of such compensation requires that consideration be given to the sustainable development of the Company and the Group; non-financial factors, including, for example, those resulting from the Company's commitment to social responsibility, are also taken into account when target achievement is assessed. The Managing Board is not entitled to the performance-related component of compensation if performance fails to meet certain thresholds. Even if the performance target is met in a financial year, because of the focus on sustainability, the full variable compensation is only awarded if satisfactory performance is also reported in the following year.

In 2014, the key performance criteria for variable compensation are the combined ratio, premium growth, the profit before taxes for the years 2014 and 2015, and a country-specific target for 2014 and 2015.

Managing Board compensation does not include stock options or similar instruments.

When setting the gross compensation of the Managing Board members, a certain amount of attention was also paid to equalising net effects, so that if compensation was paid for operational positions in affiliated companies outside of Austria, where the tax regime was more favourable than that in Austria, a lower gross compensation was set to take account of this fact. This and the different responsibilities of the members of the Managing Board explain the differences in their gross compensation.

In detail, the active members of the Managing Board in 2014 received the following from the Company for their service during the reporting period:

- Peter Hagen EUR 884,000 (EUR 1,170,000), including EUR 89,000 (EUR 464,000) variable,
- Franz Fuchs EUR 431,000 (EUR 368,000), including EUR 11,000 (EUR 149,000) variable,
- Martin Simhandl EUR 559,000 (EUR 819,000), including EUR 62,000 (EUR 333,000) variable,
- Peter Höfinger EUR 559,000 (EUR 819,000), including EUR 62,000 (EUR 333,000) variable.

The members of the Managing Board received the following compensation from affiliated companies for their services to the Company, or as a manager or employee of an affiliated company:

- Franz Fuchs EUR 75,000 (EUR 321,000), including EUR 11,000 (EUR 129,000) variable.

The standard employment contract for a member of the Managing Board of the Company includes a pension equal to a maximum of 40% of the measurement basis if the member remains on the Managing Board until the age of 65 (the measurement basis is equal to the standard fixed salary).

A pension is normally received only if a Managing Board member's position is not extended and the member is not at fault for the lack of extension, or the Managing Board member retires due to illness or age.

In cases where the provisions of the Austrian Employee and Self-Employment Provisions Act (Mitarbeiter- und Selbstständigen-Vorsorgegesetz) are not applicable by law, the Company's Managing Board contracts provide for a severance payment entitlement structured in accordance with the provisions of the Austrian Employee Act (Angestelltengesetz), as amended in 2003, in combination with applicable sector-specific provisions. This allows Managing Board members to receive a severance payment equal to two to twelve months' compensation, depending on the period of service, with a supplement of 50% if the member retires or leaves after a long-term illness. A Managing Board member who leaves of his or her own volition before retirement is possible, or leaves due to a fault of his or her own, is not entitled to a severance payment.

Members of the Managing Board are provided a company car for both business and personal use.

#### **Compensation plan for the members of the Supervisory Board**

In accordance with resolutions adopted by the 21<sup>st</sup> ordinary general meeting on 4 May 2012, the members of the Supervisory Board elected by the general meeting are entitled to receive compensation in the form of a payment remitted monthly in advance. Members of the Supervisory Board who withdraw from their positions before the end of a month still receive full compensation for the month in question. In addition to this compensation, Supervisory Board members are entitled to receive an attendance allowance for participating in Supervisory Board meetings and Supervisory Board committee meetings (remitted after participation in the meeting). The total compensation paid to members of the Supervisory Board in 2014 was EUR 419,100.

In detail, the members of the Supervisory Board received the following:

- Günter Geyer EUR 39,000 (since 6 June 2014)
- Wolfgang Ruttenstorfer EUR 36,000 (until 6 June 2014)
- Karl Skyba EUR 48,600
- Bernhard Backovsky EUR 31,500
- Martina Dobringer EUR 34,500
- Rudolf Ertl EUR 21,750 (since 6 June 2014)
- Alois Hochegger EUR 16,500 (until 6 June 2014)
- Maria Kubitschek EUR 20,250 (since 6 June 2014)
- Heinz Öhler EUR 34,500
- Reinhard Ortner EUR 40,500
- Georg Riedl EUR 20,250 (since 6 June 2014)
- Martin Roman EUR 17,250 (until 6 June 2014)
- Friedrich Stara EUR 21,000 (until 6 June 2014)
- Gertrude Tumpel-Gugerell EUR 37,500.

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

#### **Measures put in place to promote women to the managing board, supervisory board and management positions**

##### **Female supervisory board members**

Women hold around 10% of the positions in Vienna Insurance Group supervisory boards across Europe, 16% in the Austrian insurance companies and 30% in VIG Holding (as of 31 December 2014).

**Female managing board members**

Women hold around 20% of the positions on the managing boards of Vienna Insurance Group companies and around 10% of the managing board chairs are women.

For comparison, women held 8.5% of the managing board positions in the 60 largest German insurance companies in 2014, and 1.7% of the managing board chair positions in these companies.

**Women in management positions**

Including distribution, women hold around 40% of the management positions at the level directly below the managing board in VIG insurance companies across Europe (not including distribution: around 45%).

Removing barriers to women's careers is one of the key elements of the personnel strategy at Vienna Insurance Group. In addition to implementing this principle in, for example, management development efforts are being made to give visibility to ambitious women at all levels, for example, by sending more women to external conferences, platforms, etc. as representatives of the Company.

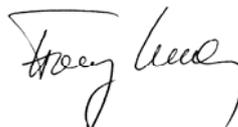
VIG makes a point of taking part in events like "Fairiversity" – a career fair with emphasis on diversity, which focused on "women" as its last topic: in a workshop titled "Insurance, no thanks?! - Inspired and inspiring women at VIG", top VIG managers and experts from Austria and the CEE region presented possible career paths for women at VIG.

Vienna, March 2015

The Managing Board:



**Peter Hagen**  
General Manager,  
Chairman of the Managing Board



**Franz Fuchs**  
Member of the Managing Board



**Peter Höfner**  
Member of the Managing Board



**Martin Simhandl**  
CFO, Member of the Managing Board