



27th Annual General Meeting
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
on 25 May 2018

DOCUMENT: PROPOSAL FOR APPROPRIATION OF PROFITS

EXPLANATORY INFORMATION ON ITEMS NO. 1 AND 2 ON THE AGENDA

Presentation of the approved annual financial statements for 2017 including the management report, the consolidated corporate governance report 2017, the sustainability report 2017 (consolidated non-financial report), the consolidated financial statements for 2017 including the group management report, the proposal for appropriation of profits and the report of the Supervisory Board (Section 96 of the Austrian Stock Corporations Act [*Aktiengesetz/AktG*])

Resolution on appropriation of the net profit for the year as per the annual financial statements for 2017.

The approved financial statements for 2017 including the management report, the consolidated corporate governance report 2017, the sustainability report 2017 (consolidated non-financial report), the consolidated financial statements for 2017 including the group management report, the proposal on appropriation of profits and the report of the Supervisory Board (Section 96 of the Austrian Stock Corporations Act [*Aktiengesetz/AktG*]) have been available for inspection at the company and on the registered website during the period prescribed in Section 108 *AktG* and continue to be available for inspection and download on the company's website. The management report and the annual financial statements for 2017 (balance sheet, income statement and the notes) are included in the report on the entire year 2017. The group management report, the consolidated financial statements for 2017 (balance sheet, income statement and the notes), the report of the Supervisory Board and the consolidated corporate governance report 2017 are included in the annual report for 2017. The consolidated corporate governance report 2017 also includes the principles of remuneration of the Managing Board as defined by the competent working committee of the Supervisory Board as well as a description of the diversity concept. The consolidated non-financial report is shown in the sustainability report 2017 according to Section 267a (1) Austrian Commercial Code [*Unternehmensgesetzbuch/UGB*] in conjunction with Section 267a (2) *UGB*.

The annual financial statements for 2017, which were prepared by the Managing Board in compliance with statutory provisions, and the management report and the consolidated financial statements for 2017 and the group management report have been audited by the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, and have been given unqualified audit certificates.

In addition, the annual financial statements for 2017 including the management report have been audited by the audit committee of the Supervisory Board and by the Supervisory Board and adopted by the Supervisory Board in its meeting of 12 April 2018, by which they are approved in accordance with Section 96 (4) *AktG*. Also on 12 April 2018 the audit committee of the Supervisory Board and the Supervisory Board audited the consolidated financial statements for 2017

including the group management report, the consolidated corporate governance report 2017 and the sustainability report 2017 (consolidated non-financial report), found them to be in order and acknowledged the same.

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

The audit committee of the Supervisory Board has studied the proposal for distribution of the profit presented by the Managing Board, has found the same to be in order and has reported to the Supervisory Board on that audit result. Consequently, the entire Supervisory Board has dealt with the present proposal for appropriation of profits in its meeting on 12 April 2018 and resolved to agree to that proposal.



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DOCUMENT: AMENDMENTS TO ARTICLE 23 (2) AND ARTICLE 24 (1) OF THE ARTICLES OF ASSOCIATION

EXPLANATORY INFORMATION ON ITEM NO. 5 ON THE AGENDA

Amendments to Article 23 (2) and Article 24 (1) of the Articles of Association of the Company

Article 24 (1) of the Articles of Association of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe already included the following wording for resolutions regarding retention of profits: “Unless the General Meeting resolves otherwise, the profit shall be distributed among the shareholders.”

Based on a ruling of the Austrian Supreme Court (OGH, GZ 6 Ob 169/16w of 24 October 2016) a supplement regarding the explicit authorisation of the Annual General Meeting for resolutions on retention of profits is proposed. The proposed supplement shall serve as clarification and consider the ruling of the Austrian Supreme Court regarding retention of profits.

The relevant amendments to the Articles of Association are listed in the comparison of the amendments to the Articles of Association, which can be found on the registered company’s website.

The present proposal for amendments to Article 23 (2) and Article 24 (1) of the Articles of Association has been available for inspection at the company and on the registered company’s website during the period prescribed in Section 108 *AktG*.



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DOCUMENT: AUDITOR AND GROUP AUDITOR

EXPLANATORY INFORMATION ON ITEM NO. 6 ON THE AGENDA

Election of the auditor and group auditor for the financial year 2019

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (FN [Business Register No.] 269873y) has presented to the audit committee and the Supervisory Board a list structured according to service categories regarding the auditing and consultancy services provided to the VIG Group by the auditor and the relevant network together with the offer as well as their licence to audit stock corporations. In addition, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has represented that there are no circumstances that might give rise to their impartiality or exclusion of their firm and that safety measures have been taken that ensure an independent and impartial audit and that the auditing team, other persons of the Company, the auditing firm itself as well as employees of the network have adhered and will adhere to the relevant professional independence requirements. Moreover, a certificate has been presented to the effect that KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has participated in an external quality control and is registered in the newly created register of the supervisory authority for auditors [*Abschlussprüferaufsichtsbehörde/APAB*] under KPMG - QKB0701115. The certificate is valid until December 2019.

The audit committee of the Supervisory Board and the entire Supervisory Board have dealt with the election of the auditor and the group auditor and have thoroughly examined the documents presented by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. In the meetings of the audit committee and the Supervisory Board in April 2018 the audit committee of the Supervisory Board and, after the committee had made its report, the entire Supervisory Board passed resolutions to the effect that they intend to propose

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
(FN 269873y)

as auditor and group auditor for the financial year 2019.

The appointment of the auditor and the group auditor takes place before the start of the 2019 financial year to be audited in accordance with Section 260 (1) of the Insurance Supervision Act (Versicherungsaufsichtsgesetz/VAG).



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DOCUMENT: REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

EXPLANATORY INFORMATION ON ITEM NO. 7 ON THE AGENDA

Resolution on the redetermination of the remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board was last amended in the 21st Annual General Meeting on 4 May 2012. As of June 2015, an index-based increase took place.

A comparison of the existing remunerations showed that similar companies pay more, which is in light of increased responsibilities, internationalisation and due to augmented tasks and audit duties – especially for stock listed insurance companies – justified.

Therefore the index-linked monthly remuneration of the members of the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe shall be amended.

The Management Board and the Supervisory Board propose the following redetermination of the monthly remuneration of the Supervisory Board:

Chairman of the Supervisory Board	from EUR 4,730.00 to EUR 5,700.00 per month
Deputy Chairman of the Supervisory Board	from EUR 2,940.00 to EUR 3,500.00 per month
Members of the Supervisory Board	from EUR 2,360.00 to EUR 2,800.00 per month

The remuneration is paid monthly and in advance via bank transfer. Members of the Supervisory Board, who lay down their mandate before the end of a month, shall nevertheless receive full remuneration for that month.

The newly determined remuneration is valid from June 2018 and is resolved including inflation adjustment.

Inflation adjustment is effected in accordance with the Consumer Price Index 2015 (year 2015 as basis) as disclosed by Statistik Austria or in accordance with a superseding index, whereby increases up to and including 5% shall be disregarded. In the case of an adjustment, commercial full-decimal approximations shall apply. The new amount and the respective index, valid at the time of the adjustment, shall form the basis for the calculation of the subsequent inflation adjustment.

The attendance fee for meetings of the Supervisory Board and Supervisory Board-Committee meetings as resolved in the 16th Annual General Meeting on 25 May 2007 amounting to EUR 1,500.00 per meeting remains unaltered.