

## PRIVATE JOINT-STOCK COMPANY

### «INSURANCE COMPANY «KNAZHA LIFE VIENNA INSURANCE GROUP»

(hereinafter – the Company)

#### **Report of the Supervisory Board's activity** **for the year 2023 (hereinafter reporting period)**

##### **Introduction**

Russian invasion to Ukraine at February 2022 caused thousands of civilian and military casualties from the Ukrainian side as well distraction of civilian infrastructure. The military aggression has an impact on day to day activity in Ukraine and particularly required the Supervisory Board to adopt itself to the new reality in its duty performance.

The Supervisory Board stayed at direct and regular contact with the management in order to monitor the situation and provide all necessary assistance to the Company.

In 2023 the Supervisory Board of the Company performed its activities in line with the Charter of the Company and based on Supervisory Board By-laws adopted by the General Shareholders' Meeting (Minutes No. 1 dated 02.05.2023).

##### **Composition of the Supervisory Board**

During the reporting period the Supervisory Board of the Company consist of the following persons:

- Mr. Harald Riener - Chairman of the Supervisory Board
- Mr. Franz Fuchs - Deputy Chairman of the Supervisory Board
- Ms. Liane Hirner - Deputy Chairman of the Supervisory Board
- Mr. Pawel Bisek- member of the Supervisory Board
- Mr. Martin Stenitzer - member of the Supervisory Board
- Mr. Martin Panosch - member of the Supervisory Board
- Mr. Pavlo Nelga - member of the Supervisory Board

The General Meeting of Shareholders of the Company Meeting (Minutes No. 1 dated 02.05.2023) adopted a decision to elect Wolfgang Kurt Wilhelm Stockmeyer as a member of the Supervisory Board until 2024.

The Extraordinary General Meeting of Shareholders of the Company (Minutes 4 of December 18, 2023) decided to elect members of the Supervisory Board until April 30, 2026, namely:

- Mr. Harald Riener - Chairmen of the Supervisory Board
- Mr. Franz Fuchs - Deputy Chairman of the Supervisory Board
- Ms. Liane Hirner - Deputy Chairman of the Supervisory Board
- Mr. Pawel Bisek- member of the Supervisory Board
- Mr. Martin Stenitzer - member of the Supervisory Board
- Mr. Martin Panosch - member of the Supervisory Board
- Mr. Wolfgang Stockmeyer - member of the Supervisory Board
- Mr. Pavlo Nelga - member of the Supervisory Board

The members of the Supervisory Board of the Company at the meeting of the Supervisory Board on December 19, 2023 (minutes 23-2023) made a decision to elect Harald Riener as the Chairman of the Supervisory Board, Franz Fuchs and Liane Hirner as Deputy Chairman of the Supervisory Board of the Company from December 19, 2023 until April 30, 2026.

##### **Supervisory Board activity at 2023**

In the reporting period the Supervisory Board meetings took place 23 times: 4 – regular meetings and 19 – extraordinary meetings.

During the reporting period the Supervisory Board adopted resolutions in line with paragraph 5 of Supervisory Board By-laws as of 02.05.2023 on the following issues, including but not limited:

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- ✓ Periodical monitoring of current situation at Ukraine in correlation with Russian invasion
- ✓ Holding General meetings of the Company shareholders, including approval of the draft agenda and draft decisions of the Shareholders meetings
- ✓ Review and monitoring of the Macroeconomic and Insurance market trends
- ✓ Review of the Management Board report and Financial Statements of the Company for 2022 and 2023
- ✓ Review of Quarterly financial reports of the Company
- ✓ Review of Management quarterly reports on fulfilment of Solvency requirements and insurance reserve coverage for 2023;
- ✓ Periodical monitoring of Business development
- ✓ Review of the Group Auditor report on the Company 2022 financial statements for consolidation purposes;
- ✓ Review of the periodical internal auditor reports;
- ✓ Approval of the Revised internal audit plan for 2023-2027;
- ✓ Approval of the “Supervisory Board” report for the year 2022;
- ✓ Approval of the Annual Revision Commission report for the year 2022, and review and approval periodical reports of the Revision Commission
- ✓ Approval of the Annual Information of the Issuer of Securities (Annual Report) for 2022 report
- ✓ Approval of the financial planning for the period of 2023 (IFRS 4) of 2023 (IFRS 9);
- ✓ Approval of investment risk strategy for 2023 and 2024;
- ✓ Approval of reinsurance program 2024;
- ✓ Approval of the Real Estate Appraiser for the Company property valuation purposes;
- ✓ Review of the report on changes to the Ukrainian legislation (New insurance law, and new law on Joint Stock Companies)
- ✓ Approval of updated organizational structure of the Company according to the legal requirements
- ✓ Approval of the Supervisory Board Meetings schedule for 2024

The Supervisory Board analyzed insurance market development and trends.

The activities of the Supervisory Board in the area of investments focused on the analysis of the internally managed assets in terms of its volume, structure and profitability. The Supervisory Board paid special attention to the compliance of the investment portfolio structure with the in-force investment and risk strategy as approved by the Supervisory Board and Asset Management Department of Vienna Insurance Group.

Furthermore, the Supervisory Board monitored the current technical results of the company in total and per line of business as well as the total results for the corresponding reporting periods. The Supervisory Board also regularly considered the movements on the gross technical reserves including in particular the claims reserves (IBNR/RBNP) and premium reserve by key product lines.

During the year Supervisory Board controlled and reviewed the Sales report and Financial results reports of the Company, strategic asset allocation.

#### **Quarterly monitored reports**

The Supervisory Board monitored on quarterly basis the Company performance and the Management Board reports on financial result including but not limited to:

- profit and loss accounts including gross premium written, gross and net premium earned and claims development, separately for motor third-party liability insurance, motor own damage insurance, property insurance, personal insurance and other lines of business;
- monitored the reported level of administration costs, direct and indirect acquisition costs, claims handling costs, asset management and other technical costs compared to the previous year and the approved budget.
- balance sheet;
- equity position;
- cash flows statements

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- internal auditor reports
- sales activity report

**Risk management/ Asset management**

During 2023 the Supervisory Board was informed about risk management activities at the Company.

The Risk Management Strategy of the Company was approved by the Supervisory Board on 28.03.2019. There were no changes to the strategy within 2023.

Detailed Investment and Risk Strategy is approved yearly in November or December. On 23.11.2023 the Supervisory Board approved the Investment and Risk Strategy for 2024.

**Issuer's annual information**

In the course of its activity in 2023, the Supervisory Board assessed the Issuer's annual information for the year 2022. The Supervisory Board was accordingly informed and acknowledged the auditor's findings concerning this Report. The auditor confirmed that the Company's Issuer's annual information for 2022 was in line with Ukrainian law, that no fraud or illegal acts were identified, and issued an auditor opinion.

**Internal Audit**

In 2023 the Supervisory Board acknowledged regular information reported by Internal Audit, containing Internal Audit activities in reporting period, internal audit plan fulfillment, main findings, recommendations and implementation thereof, and audit plan for the following periods.

**Mr. Harald Riener**

*Chairman of the Supervisory Board*



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