

SUPERVISORY BOARD IC „DONARIS VIENNA INSURANCE GROUP” SA REPORT ON ACTIVITY FOR 2022 YEAR

The Supervisory Board of IC Donaris Vienna Insurance Group SA (hereinafter “Company”) is elected by the Company’ General Meeting of Shareholders. In its actual composition, the Company’ Supervisory board was appointed by the extraordinary General Shareholders Meeting held on 19.04.2022, the mandates of the Supervisory Board members being established until 26.04.2025. Thus, according to the situation on 31.12.2022, the composition of the Company’s Supervisory Board was as follows:

Chairman	- Mr. Peter Hoefinger,
Deputy Chairman	- Mr. Peter Thirring
Member of the Board	- Mr. Franz Fuchs
Member of the Board	- Mr. Marek Golebiewski

During the reporting period the Supervisory Board performed its duties in accordance with the rights and obligations stipulated by the Company’ Statute, the Supervisory Board Regulation and guided by the norms of the Company’s Corporate Governance Code. The Supervisory Board permanently supervised and monitored activity of the Company’s Management Board, working in close collaboration with its members. Have continued the adjustment of the Company’ corporate rules and norms of the operational activity to the VIG’ Group corporate norms and standards.

In 2022 year, the Supervisory Board activity have been focused on the Company’s financial stability and solvency improvement; implementation of measures to mitigate the negative consequences of the Russian invasion in Ukraine and raised by this event the economic crisis on the Company’ operational activity

In 2022 year were hold 5 meetings of the Supervisory Board, including 4 ordinary meetings and 1 – extraordinary. Within these meetings has been examined different issues related to the Company operational activity, including: approval of the Business plan for 2022 -2024 years, Investment Risk Strategy and Reinsurance program for 2022, examination of the quarterly Internal Audit reports on performed activities and approval of Internal Audit plan for 2022, examinations of the quarterly reports of the Management Board concerning results of the Company’ activity and main indicators of the approved for 2022 Business plan achievements, including analysis of performances per lines of business, analysis of the main indicators of the financial stability (Profit and Loss account, Solvency margin and Liquidity ratio, Loss ratio and combined ratio); evolution of the technical reserves; analysis of the investment activity, analysis of the Branche Offices’ results of activity and improving of its profitability, etc.

During the reporting period, the Supervisory Board made proposals to the General meeting of shareholders regarding the distribution of net profit registered in 2021 and regarding the profit distribution norms for 2022 year; was approved the Report of the Company' management – Management Board for 2021 and submitted for the shareholders examination within the Annual ordinary General meeting. In order to comply with the provisions of the new Law no 92/2022 on insurance or reinsurance activity, in force from 01.01.2023, was revised the Company's organizational Chart for 2023 year – this fact will permit to increase the effectiveness in the activity of Company' governing bodies and key functions.

Within the reported period, on the Supervisory Board decision, some segments of the Company's activity were examined by the Internal Audit, in according with Group's standards (audit on Compliance, ICS, actuary and Risk management; on international sanctions, on Complaints, on Claims, on reinsurance, on IT).

In 2022, the Supervisory Board took appropriate measures for continued development of an ethical environment within the Company, including via setting of the professional standards and corporate values that promote the professional integrity of both management and employees. The new version of the Company' Remuneration and Fit & Proper policies have been approved.

The implementation of the Remuneration policy standards in 2022 was carried out in an appropriate way, taking into account the performances demonstrated by the members of the Company's management bodies and employees. Is to be mentioned, that In 2022 year, the Supervisory Board members exercised their duties without remuneration and compensation.

In 2023, the Supervisory Board will continue to closely monitor the implementation of the approved Remuneration Policy, taking into account that the remuneration standards implemented by the Company as VIG Group member, are based on the respectively Group standards:

- the Company has clear, transparent and efficient governance regarding remuneration, including the Remuneration policy and guideline's supervision and compliance with its provisions and the provisions of the national legislation in the field;
- the Company internal Remuneration Guidelines, shall be aligned with the business strategy, values and long-term objectives of the Company and VIG Group and national Labor Code requirements;
- the remuneration practices used are designed to avoid potential conflicts of interest, in particular in the areas of underwriting, claims, acquisitions and asset management, risk

management, internal audit and compliance, including for members of the Company' management bodies and key- function functions;

- the remuneration practices shall not encourage excessive risk-taking at the expenses of the Company and its stakeholders; they shall take into account the required qualifications, responsibilities and duties related to the position held by each employee, regardless of the position held;

- pecuniary remuneration of employees within the Company usually consists of a fixed and variable component or only of fixed salary. The individual employment contract may include additional financial benefits or benefits in kind provided by the Company to the employee. The criteria used for the system of evaluation and classification of functions for determining the salary levels applied by the Company shall take into account the internal organization of the Company, based on the nature, scale and complexity of the operational activity, as well as taking into account the risks inherent in the business

The Supervisory Board's activity is performed in close collaboration with the Company's Audit Committee, and the Management Board' members – General Director and Financial Director; the Management Board activity is permanently supervised and coordinated.

On the Audit Committee recommendations, the Supervisory Board acknowledged the external auditors Report - the auditing firm "BDO Audit & Consulting" SRL related to the Company's financial statements for reporting period and propose it's for the Shareholders' approval. Based on this, the Supervisory Board considered that the financial statements for 2022 presented by the Company' Management Board are prepared in accordance with the requirements of Moldovan legislation and provide a fair view under the Company' assets and liabilities, its financial situation and registered financial result.

Taking into consideration the Company's indicators of development for 2022 financial year, provided by the Company' Business Plan, which was approved by the Supervisory Board based on the indicators of the Company's economic activity achieved in the reported period; in the context of unstable political situation in the region related to the war in Ukraine, unlinked by the Russian Federation, as well as the economic crisis generated by this event, the Supervisory Board jointly with the Company' executive body acts responsibly and solidary in managing of the current situation.

Thus, the Supervisory Board has taken appropriate preventive measures and implements a well-structured plan to ensure the continuity of the Company's operational activity. Against the background of the ongoing global crisis, generated by the above-mentioned event and the

increased insecurities associated with operational activity, the Company is in the process of assessing the impact of this event on the financial results of 2023 year.

At the same time, the Company continuously monitors the growing inflationary processes in order to assess the associated risks and implement appropriate mitigation measures, as well as closely monitors the economic environment and the development of the insurance market in the Republic of Moldova in order to be able to assess in a reasonable time the effects of their modification/evolution on the Company' assets.

For mitigating of the negative impact of the global crisis generated by politically unstable situation in the region and to maintain the financial stability of the Company in 2023 year, the Supervisory Board will come out with the recommendation to the Company' shareholders concerning the distribution of the net profit obtained in the financial year 2022, and its distribution for development (capitalization) of the Company and the continuous replenishment of the reserves, provided by the legislation.

In order to comply with new Law #92/2022 on insurance and reinsurance activity provisions and to ensure business continuity, during 2023 year the Supervisory Board activity will be focused on optimizing and strengthening of the established Company' governance system, on achieving by the Company of leading position on the market, via continued growth of sales, and development of alternative channels of sales, diversification and improving of the Company' insurance portfolio; improvement of the investments structure, continue implementation of the VIG's corporate norms and using of the best practices of corporate governance.

Supervisory Board members:

Peter Hoefinger, Chairman

Peter Thirring, Deputy Chairman

Franz Fuchs, member of the Board

Marek Golebiewski, member of the Board

April 19, 2023