

## INTRODUCTION

The shares of **CIG Pannónia Életbiztosító Nyrt.** (in English: CIG Pannonia Life Insurance Plc.; registered office: HU-1095 Budapest, Könyves Kálmán krt. 11.B., hereinafter referred to as “Company”) were classified in the premium category by Budapesti Értéktőzsde Nyilvánosan Működő Részvénytársaság (in English: Budapest Stock Exchange.; hereinafter referred to as “BSE”) as of 1 July 2013. The majority of the 94 428 260 shares are owned by Hungarian enterprises and Hungarian private persons. According to the direct and indirect participation and based on the information officially known by our Company, Hungarikum Biztosítási Alkusz Zrt. (in English: Hungarikum Insurance Brokerage Plc.) has 58.73% ownership share, while Kaptár Befektetési Zrt. (in English: Kaptár Investment Plc.) has 4.03%, while the natural person dr. Móricz Gábor has 3,66% ownership share. The number of additional shareholders varies between five and six thousand. The Company considers its responsibility owed to the shareholders to comply with the corporate governance recommendations to the fullest extent possible. In accordance with the provisions of the recommendations, the governance and operation characteristics of the Company are shown hereinunder.

### Brief description of the Board of Directors, presentation of the division of responsibilities and tasks between the Board of Directors and the management.

#### The Management Board

The management body of the Company is the Management Board, it is responsible for establishing and managing the organisation of the Company. The scope of power of the Management Board is determined by the legislation in force, the Articles of Association of the Company, the resolutions of the General Meeting, the Organisational and Operational Rules as well as the Rules of Procedure of the Management Board. The Management Board shall establish its Rules of Procedure itself and shall adopt it by more than half of the members of the Management Board voting in favour thereof. The Rules of Procedure includes – among others – matters concerning the functioning of the Management Board, the specific rules of power and competences, the structure of the Management Board, and the mandatory elements of the meetings and the minutes to be drawn up thereon. The Management Board operating at the Company shall be made up of at least three and no more than seven members, the members of the Management Board shall be elected and recalled by the General Meeting. The members of the Management Board shall be subject to the requirements of Act LXXXVIII of 2014 on Business Insurance (hereinafter referred to as: the **Business Insurance Act**) applicable to the executive officers. At the beginning of the year, the Board of Directors consisted of 5 members, and according to the information published on 16 January 2023, it has been a 4-member Board since that date. .

Given that the Company has encouraged the achievement of the objectives set out in its growth strategy at the beginning of 2023 by creating additional Deputy CEO positions and by clearly defining the departments under them, while reinforcing responsibilities in parallel, the members of the Board of Directors have not formally shared responsibilities but have performed them as a body. Exceptions are ESG compliance and money laundering and fraud prevention, which were already assigned to a dedicated Board member in 2022 to ensure prudential compliance is more fully enforced.

The Management Board determined a wide range of crucial powers (decisions taken into its own scope of powers) which it reserves to itself in addition to the powers specified in the Articles of Association. Such powers are mostly those that require constant operative task determination, control and significant resources (including remuneration topics) in the fields of strategy and risk management, as well as in cases where the consequences of the decision could have longer-lasting effects. Operative decisions related to day-to-day operation are made by the management of the Company independently, in the manner and within the scope of powers specified in the internal regulations.

**Introduction of the members of the Board of Directors, the Supervisory Board and the management (in the case of board members, including the indication of the independence status of each member), description of the structure of the committees.**

#### **The members of the Management Board:**

**Dr. Fedák István**, member of the Management Board (member from 21 June 2019, Chairman from 14 August 2020 until 12 May 2021)

Dr. Fedák István graduated from Budapesti Közgazdaságtudományi Egyetem (in English: Budapest University of Economic Sciences) in 1998 with a MBA in foreign economy, and then earned a law degree at the Faculty of Law and Political Sciences of Pázmány Péter Katolikus Egyetem (in English: Pázmány Péter Catholic University) in 2002. He is a chartered accountant. Dr. Fedák István started his career at a Creditanstalt Rt. (in English: a Creditanstalt Plc.) as a risk manager, and then worked for Magyar Factor Rt. (in English: Magyar Factor Plc.) first as business development manager and later as the chief risk officer. After earning his law degree, dr. Fedák István worked at Fedák Ügyvédi Iroda (in English: Fedák Law Office) and then in MFB Fejlesztési Bank (in English: MFB Development Bank). He worked in financial and managing director positions at the enterprises of the OT INDUSTRIES Group between 2008 and 2015, after which he was the managing director of Eurobond Kft. (in English: Eurobond Ltd.) for one year. From 2016, dr. Fedák István was the chief financial officer and deputy CEO for legal matters of Keszthelyi Holding Zrt. (in English: Keszthelyi Holding Plc.), simultaneously with which, between 2017 and 2020, he was also the managing director of Agenta-Consulting Kft. (in English: Agenta-Consulting Ltd.). He has been the Chief Executive Officer of the Company and EMABIT since 16 January 2023.

<b>Scope of expertise:</b>	insurance and financial markets, business strategy and business model, governance system, regulatory requirements
<b>End of mandate as member of the Management Board:</b>	19 April 2027

**Dr. Bogdánffy Péter MBA**, member of the Management Board (from 17 May 2019), Chairman of the Management Board of the Company since 16 January 2023<sup>1</sup>.

Dr. Bogdánffy Péter MBA graduated from the Faculty of Law and Political Sciences of the József Attila Tudományegyetem (in English: József Attila University of Sciences) in Szeged. Simultaneously, he completed the German and European Economic Law programme of the University of Potsdam. He started his professional career as a lawyer in 2000, in the Noerr Ügyvédi Iroda (in English: Noerr Law Office), and later worked for Faludi Wolf Theiss Ügyvédi Iroda (in English: Faludi Wolf Theiss Law Office). Dr. Bogdánffy Péter MBA was a member of the Management Board of Siemens Zrt. (in English: Siemens Plc.) between 2008 and 2011, and as a senior legal counsel, he was also responsible for the complete legal management of the Hungarian companies of Siemens. He was the member of the Management Board and deputy CEO of BROKERNET Investment Holding Zrt. (in English: BROKERNET Investment Holding Plc.) from 2011, and from 2012, he was the Chairman of the Management Board of BROKERNET Investment Holding Zrt. and a member of the Supervisory Board of Quantis Alpha Zrt. (in English: Quantis Alpha Plc.). Dr. Bogdánffy Péter MBA was a member of the Supervisory Board of CIG Pannónia Életbiztosító Nyrt. between 2013 and 2015, after which he worked as a management advisor as a private entrepreneur, and then as an attorney-at-law from May 2016. He was a member of the Supervisory Board of Keszthelyi Holding Zrt. from February 2019. In addition to his law degree and bar exam, Dr. Bogdánffy Péter MBA earned an MBA in finance from CEU Business School, and he has bilingual proficiency in German and advanced-level English language skills. He is a member of the Budapesti Ügyvédi Kamara (in English: Budapest Bar Association) and the Magyar Vállalati Compliance Társaság (in English: Hungarian Corporate Compliance Society).

<b>Scope of expertise:</b>	insurance and financial markets, business strategy and business model, governance system, regulatory requirements
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<sup>1</sup> [https://bet.hu/newkibdata/128834222/BP\\_IG\\_ELN\\_HU\\_20230118.pdf](https://bet.hu/newkibdata/128834222/BP_IG_ELN_HU_20230118.pdf)

**End of mandate as member of the Management Board:** 19 April 2027

**Board:**

**Ódorné Angyal Zsuzsanna**, member of the Management Board (from 14 August 2020 to 02. February 2024)  
 Ódorné Angyal Zsuzsanna graduated with an economist degree as a Finance and Accounting major from Gödöllői Agrártudományi Egyetem (in English: Gödöllő University of Agricultural Sciences) and became a chartered accountant, and then obtained a teacher of engineering degree. She enhanced her professional knowledge with postgraduate studies as a European Union Agricultural Expert major at Szent István Egyetem (in English: Szent István University). She also has tax advisory, payroll administration, social security administration and internal auditor qualifications.

Ódorné Angyal Zsuzsanna started her career in small enterprises, after which, from 2009, she first managed the direct relations with subsidiaries at OPUS GLOBAL Nyrt. (in English: OPUS GLOBAL Plc.) and then coordinated and supervised the activity of the economic and business administration (finance, accounting, controlling) departments of the company group, in addition to ensuring legal compliance. She was the Chief Executive Officer of OPUS GLOBAL Nyrt. for two years from 2017, after which she coordinated the day-to-day operation, complete business activity, consolidation, as well as the preparation of the financial reports of the company group as the Deputy CEO of Operations until 31 December 2022.

Ódorné Angyal Zsuzsanna speaks English and German. She has been a member of the Management Board of the Company since 14 August 2020.

**Scope of expertise:**

money and capital markets, business strategy and business model, establishment and operation of governance systems, financial analysis, regulatory framework and requirements

**Date of resignation from member of the Management Board mandate:**

02 February 2024

**Dr. Dakó Gábor Miklós**, member of the Management Board (from 10 May 2022)

Dr. Dakó Gábor Miklós graduated from the Faculty of Law and Political Sciences of Janus Pannonius Tudományegyetem (in English: Janus Pannonius University of Sciences), after which he widened his knowledge in a broker programme and in a company law legal specialist programme. He passed the bar exam. Dr. Dakó Gábor Miklós started his career in 1998, in the Állami Pénz és Tőkepiaci Felügyelet (State Supervisory Authority for Money and Capital Markets), worked in a law office specialised in capital market transactions, and later worked as a legal counsel, deputy head of department, head of department and director positions in capital market, authorisation and market supervisory areas in Pénzügyi Szervezetek Állami Felügyelete (in English: Hungarian

Financial Supervisory Authority)/ Magyar Nemzeti Bank (in English: Hungarian National Bank). From 2018, he was a capital market specialist attorney-at-law in Kertész és Társai Ügyvédi Iroda (in English: Kertész and Partners Law Office), and was the Deputy CEO responsible for company management at OPUS GLOBAL Nyrt. (in English: OPUS GLOBAL Plc.) Dr. Dakó Gábor Miklós is the co-author of the work titled “Nagykommentár a befektetési vállalkozásokról szóló törvényhez” (in English: Complete Commentary of the Act on Investment Enterprises), and he also participated in countless professional committee activities related to lecturing, capital market and issuer activities. He speaks English.

**Scope of expertise:**

money and capital markets, IR, business and investment strategy and business model, establishment and operation of governance systems, regulatory framework and requirements, compliance

**End of mandate as member of the Management**

19 April 2027

**Board:**

In the year 2023, Zoltán Polányi was Chairman of the Board of Directors until 16 January 2023. In 2022, the Chairman of the Management Board<sup>2</sup> was Polányi Zoltán (member from 7 April 2021 and Chairman from 12 May 2021). Polányi Zoltán was the Chief Executive Officer of CIG Pannónia Életbiztosító Nyrt. and CIG Pannónia Első Magyar Általános Biztosító Zrt. (in English: CIG Pannónia First Hungarian General Insurance Plc.; hereinafter referred to as: **EMABIT**), and he has been the primary leader of the CIG Pannónia Életbiztosító Nyrt. since 24 February 2021 based on the relevant authorisation of MNB (Magyar Nemzeti Bank, in English: Central Bank of Hungary), and was the deputy of the primary leader of CIG Pannónia Első Magyar Általános Biztosító Zrt. until 16 January 2023. Since 16 January 2023, the Company and EMABIT have been managed by Chief Executive Officer dr. Fedák István.

Between October 2004 and January 2021, Polányi Zoltán was employed by UNIQA Biztosító Zrt. (in English: UNIQA Insurance Plc.), he held sales executive positions between 2004 and 2007, was the head of the tied agent network of the insurance company between 2012 and 2013, was the chief sales manager and executive officer between 2014 and June 2016, and then became a member of the Management Board from the summer of 2016; he was the member of the Management Board responsible for the sales department, and then, after the transformation of the insurance company, for the corporate department (Corporate, Bank, Affinity). Before UNIQA Biztosító Zrt., Polányi Zoltán was an employee of the K&H Lízingcsoport (in English: K&H Leasing Group) between 1999 and 2004. He was the sales manager of K&H Lízing until 2003, and then the managing director of K&H Alkusz Kft.

<sup>2</sup> The employment relationship concluded by and between Polányi Zoltán and the Company and its subsidiary CIG Pannónia Első Magyar Általános Biztosító Zrt.-ben (EMABIT), 100% of which is owned by the Company, will be terminated by mutual agreement, therefore Polányi Zoltán will not participate in the work of the companies as an executive employee from 16 January 2023.

(in English: K&H Alkusz Ltd.). In 1999, Polányi Zoltán was the head of the wholesale sales department of Porsche Hungaria Kft.

<b>Scope of expertise:</b>	insurance and financial markets, business strategy and business model, governance system, regulatory requirements
<b>Date of resignation from member of the Management Board mandate:</b>	16 January 2023

The Rules of Procedure of the Board of Directors shall be made public and shall be permanently and unrestrictedly accessible to the public on the Company's website.

#### **Members of the Supervisory Board of the Company:**

**Ginzer Ildikó**, member of the Supervisory Board (from 5 May 2022).

Ginzer Ildikó graduated with honours from the Business Administration programme of the Faculty of Business Administration of Budapesti Corvinus Egyetem (in English: Corvinus University of Budapest) with a degree in economics and qualified teacher of economics. She widened her professional knowledge abroad, in France, in the fields of strategic management, corporate financing and business valuation, and later completed the International management programme of SEED School For Educations and Executive Development.

Ginzer Ildikó started her career at Raiffeisen Bank in 2004, where she worked in various executive positions, and in 2016, she applied successfully to the Deputy CEO of Risk Management position of MKB Bank Nyrt. (in English: MKB Bank Plc.), where she was responsible for the management of the risk management and debt collection departments of the Bank, was directly responsible for the development of the Bank Group-level risk strategy, for the operation of the rating systems and limit systems, as well as for the management and reduction of the corporate and retail nonperforming portfolio of the bank. In 2019, Ginzer Ildikó was appointed to be the Deputy CEO of Business Management of MKB Bank, and thus she became responsible for the coordination of all business (retail, corporate, small enterprise, private banking) departments and the Money and Capital Markets departments of the bank.

Ginzer Ildikó is currently the Deputy CEO of Business Management responsible for Standard business of Magyar Bankholding Zrt. (in English: Magyar Bankholding Plc.) and its member banks, MKB Bank, Budapest Bank and Takarékbank Zrt. (in English: Takarékbank Plc.), in the framework of which she manages the retail, micro and small enterprise departments of the bank on the holding level. She is proficient in English and has basic level German and french language skills. She has been the independent member of the Supervisory Board of the Company since 5 May 2022.

<b>Scope of expertise:</b>	business strategy and business model, establishment and operation of governance systems, financial analysis, regulatory framework and requirements
<b>End of mandate as member of the Supervisory Board:</b>	19 April 2027

**Tima János**, member and Chairman (from 17 June 2019) of the Supervisory Board Tima János worked in finance as an executive between 2005 and 2017, for Provident Zrt. (in English: Provident Plc.), Budapest Bank Nyrt. (in English: Budapest Bank Plc.) and FHB Kereskedelmi Bank Zrt. (in English: FHB Commercial Bank Plc.). He was the chief financial officer of Mészáros és Mészáros Kft. (in English: Mészáros és Mészáros Ltd.) between 2013 and 2017. Currently, Tima János is a member of the Management Board of TV2 Zrt. (in English: TV2 Plc.) and the Chairman of the Management Board of Media Vivantis Zrt. (in English: Media Vivantis Plc.), while simultaneously being the managing director of K-Investment Partner Kft. (in English: K-Investment Partner Ltd.), B+T Management Kft. (in English: B+T Management Ltd.), Wellnesshotel Építő Kft. (in English: Wellnesshotel Construction Ltd.), BussinesHelp Kft. (in English: BussinesHelp Ltd.), Oktatech Nonprofit Kft. (in English: Oktatech Non-profit Ltd.) and AV Progress Kft. (in English: AV Progress Ltd.), in addition, he is the Chief Executive Officer of "Infocenter.hu Média" zrt. (in English: "Infocenter.hu Média" Plc.) and Magyar Broadcasting Co. Zrt. (in English: Magyar Broadcasting Co. Plc.). Tima János is a member of the Supervisory Board of Veszprém Handball Zrt. (in English: Veszprém Handball Plc., OPUS GLOBAL Nyrt., V-Híd Zrt. (in English: V-Híd Plc.) and Delta Technologies Nyrt. (in English: Delta Technologies Plc.). He is the Chairman of the Supervisory Board of HUNGUEST Hotels Zrt. (in English: HUNGUEST Hotels Plc.) and IKO HOLDING Kft. (in English: IKO HOLDING Ltd.).

<b>Scope of expertise:</b>	business strategy and business model, governance system
<b>End of mandate as member of the Supervisory Board:</b>	19 April 2027

**Vada Erika**, member of the Supervisory Board

Vada Erika is an economist, auditor and tax advisor. Her auditor qualifications cover budgetary, IFRS, issuer, financial institution and the investment enterprise fields. Vada Erika started her career as an economist at the Taurus Vállalat (in English: Taurus Enterprise), and then continued as a senior officer for the Hungarian Tax and Financial Control Administration. She fulfilled group leader, head of department and managing director positions

in the Ministry of Finance, the Bureau of Restitution and ÁPV Zrt. (in English: ÁPV Plc.). Vada Erika is the majority owner and managing director of PRIM-AUDIT 2005. During her career, Vada Erika accepted elected positions in the supervisory boards of several large enterprises: Kisalföld Volán Rt. (in English: Kisalföld Volán Plc.), Volánbusz Rt. (in English: Volánbusz Plc.), Bábolna Rt. (in English: Bábolna Plc.). She has been a member of the National Presidium of the Chamber of Hungarian Auditors from 2015. Vada Erika published multiple publications in the topics of taxation and accounting. He speaks English.

**Scope of expertise**

insurance and financial markets, business strategy and business model, governance system, financial and actuarial analysis, regulatory framework and requirements

**End of mandate as member of the Supervisory Board:**

28 August 2028

The Supervisory Board shall publish its Rules of Procedure, which shall be permanently and unrestrictedly accessible to the public on the Company's website.

**Committee****Audit Committee**

The Supervisory Board elected an Audit Committee from its members. Its members in the 2022 financial year are as follows:

**Vada Erika chairperson** (from 14 August 2020)

**Tima János member** (from 14 August 2020)

**Ginzer Ildikó member** (from 18 April 2022)

The Audit Committee shall publish its Terms of Reference, which shall be permanently and unrestrictedly available to the public on the Company's website.

**Remuneration and Nomination Committee**

The Management Board of the Company established the Remuneration and Nomination Committee for the preparation of remuneration proposals, the evaluation of the members of the board and for making preparations for the election of officers. This Committee shall make proposals for new officers, for the determination of honoraria, shall form opinion on the interest system of the management and the employees of the company. Its members entitled to vote in the 2023 financial year:



Dr. Fedák István, Ódoriné Angyal Zsuzsanna and dr. Bogdánffy Péter

**The number of meetings held by the Board of Directors, Supervisory Board and the committee during the period concerned, including the rate of participation.**

Number of meetings and decisions (resolutions) <sup>3</sup> in 2022			
<b>Management Board</b>	20 meetings	133 resolutions	100% participation rate
<b>Supervisory Board:</b>	11 meetings	53 resolutions	100% participation rate
<b>Audit Committee:</b>	7 meetings	33 resolutions	100% participation rate

**Description of the work of the Board of Directors, Supervisory Board and the management, as well as description of the aspects taken into consideration in course of the evaluation of the members. Reference to whether the evaluation carried out during the period concerned resulted in any change.**

The annual evaluation of the board members shall be carried out by the Remuneration and Nomination Committee.

The aspects taken into consideration in course of the evaluation:

The board member

- Does the board member have the competences necessary for leading the insurance industry? How much is the knowledge obtained kept up-to-date by the member (in connection with this, the members are required to report on a yearly basis on the trainings and courses they participated in any other manner in which they kept their professional knowledge up-to-date, which enables them to use their skills at a high level), the competences examined: insurance and financial markets, business strategy and business model, governance system, regulatory requirements, financial and actuarial analysis;
- Did the board member attend the meetings, and how did the board member act at the meetings and beyond the meetings (in connection with this, the following activities were evaluated: the proposals made at the meetings, independent proposals, requests for information, participation in specific negotiations, in particular participation in negotiations with authorities, fulfilment of other committee tasks);
- To what extent the board member contributed to the efficiency of the Company, the basis of which evaluation is whether the member contributed to the functioning of the Company with active participation, control role, or with personal prestige.

<sup>3</sup> including the resolutions made on out of sessions, on the basis of written submission

The annual evaluations contribute to the activeness of the members, and through that, to the efficiency of the Company. Publish the Remuneration and Nomination Committee's Rules of Procedure, which are permanently and unrestrictedly accessible to the public on the Company's website

**Report on the functioning of each committee, including the introduction of the professional career of the committee members, the number of meetings held, the rate of participation, and the description of the key topics discussed at the meetings description of the general functioning of the committee. The description of the functioning of the audit committee must include of the Management Board / Board of Directors made any decision contrary to the proposal of the committee regarding any matter (including the reasons of the Board of Directors). It is advisable to refer to make a reference to the website of the company, where the tasks delegated to the committees and the date of appointment of members must be published. (If these data are not available on the website of the company, then such data must be included in the Corporate Governance Report.)**

### **The functioning of the Supervisory Board**

In compliance with the provisions of Section 85(4) of the Business Insurance Act, the Supervisory Board directs the internal audit organisation, as well as develops recommendations and proposals based on the findings of the inspections carried out by the internal audit function. According to the Articles of Association, a supervisory board of at least three but no more than ten members operates at the Company, the chairman and the members of the Supervisory Board shall be elected for a no more than five-year period and shall be recalled by the general meeting. The Supervisory Board shall establish its own rules of procedure, subject to approval by the General Meeting of the Company.

The primary purpose of the Supervisory Board is to ensure – in course of the fulfilment of the duties specified by law – that the Company has a comprehensive control system that is suitable for effective functioning. Its scope of activity includes the management of the internal audit system, as well as development of recommendations and proposals based on the findings of the inspections carried out by the internal audit function.

In course of the development of the rules of procedure and the fulfilment of the duties, the Supervisory Board takes the following recommendations into consideration:

- Recommendation No 12/2022 (VIII. 11.) of the Magyar Nemzeti Bank on setting up and using internal safeguards and on the management and control functions of financial organisations;
- Recommendation 17/2019 (IX. 20) of the Magyar Nemzeti Bank on the Governance system of insurers and reinsurers.

The Supervisory Board shall convene at least five times per year, and beyond that, with the frequency required by the business interests of the Company. At its meetings, at a minimum of every three months, the Supervisory Board shall discuss the report of the Management Board prepared on the management, the financial position and the business policy of the company. The Supervisory Board shall manage the internal audit organisation, in the framework of which it shall approve the three-year control plan of the internal audit organisation, and at least every six months it shall discuss the reports produced by the internal audit organisation and control the implementation of the necessary measures. If necessary, the Supervisory Board shall assist the work of the internal audit organisation by commissioning an external expert, and it shall make a proposal for changing the number of members of the internal audit organisation unit. Moreover, to develop recommendations and proposals initiated on the basis of the findings of the internal audit;

The meetings of the Supervisory Board shall be convened by the Chairperson, or if the Chairperson is obstructed then by the Deputy Chairman, who is also the person presiding over the meetings. Any Member of the Supervisory Board may request the convening of the meeting – indicating the reason and purpose - in writing at any time from the Chairperson, who is obliged to act within 8 (eight) days from the receipt of the request to convene the meeting of the Supervisory Board within thirty days. If the Chairperson does not satisfy thereof request, the member is entitled to convene the meeting himself or herself.

The Rules of Procedure of the Supervisory Board and the professional resumes of the members – including their competences and independence – were published by the Company on its website as well:

<https://www.cigpannonia.hu/befektetok/tarsasagiranyitas>

<https://www.cigpannonia.hu/rolunk/vezetoseg/eletbiztosito>

### **The functioning of the Audit Committee**

The Audit Committee is a body that helps the work of the Supervisory Board of the Company with its opinion, evaluations and proposals. The scope of powers of the committee are determined by the legislation in force, the Articles of Association of the Company, the resolutions of the General Meeting, as well as its Rules of Procedure. The members of the committee are elected by the General Meetings from the members of the Supervisory Board. The term of the membership corresponds to the term of the Supervisory Board membership.

The Company shall set up an Audit Committee consisting of at least four members, to be elected by the general meeting from among the independent members of the Supervisory Board. One member thereof shall hold an auditor qualification.

The tasks of the Audit Committee are as follows:

- commenting on the financial statements in accordance with the Accounting Act;
- monitoring the audit of the financial statements in accordance with the Accounting Act;
- making proposals for the person and remuneration of the auditor, preparation of the contract to be concluded with the auditor; based on the authorisation specified in the Articles of Association, signing the contract on behalf of the company limited by shares;
- monitoring of the enforcement of the professional requirements and the conflict of interest and independence requirements specified for the auditor, fulfilment of tasks related to cooperating with the auditor;
- apart from the audit of the annual accounts compliant with the Accounting Act by the auditor, monitoring of the other services provided to the company limited by shares,

in addition, if necessary

- making proposals to the Supervisory Board for actions to be taken;
- assessing the functioning of the financial reporting system and proposing the necessary measures to be taken;
- helping the work of the Management Board and the Supervisory Board in order to ensure the appropriate controlling of the financial reporting system;
- monitoring the effectiveness of the internal control and risk management system, in accordance with the division of tasks set by the Supervisory Board.

The Audit Committee shall notify the Supervisory Board of its resolutions adopted at the meetings; the Supervisory Board evaluates the work of the Audit Committee. It shall compile a report on its yearly work, which shall be discussed by the Supervisory Board. Before the annual general meeting, the Audit Committee shall form its opinion related to the annual accounts and shall forward it to the Management Board and the Supervisory Board of the Company.

The Rules of Procedure of the Audit Committee and the professional resumes of the members – including their competences and independence – were published by the Company on its website as well:

<https://www.cigpannonia.hu/befektetok/tarsasagiranyitas>

<https://www.cigpannonia.hu/rolunk/vezetoseg/eletbiztosito>

## Management support bodies

## Operative Management Meeting

The Operative Management Meeting is a body of the Company that supports operative-level decision-making and functions within the frameworks specified in the Organizational and Operational Rules of the Company. The committee has no decision-making power, the Chief Executive Officer shall make the decision independently in the matters discussed by the committee. The duty of the Management Meeting is to facilitate the operative management, to harmonise the activities, and to propose decision-making supporting and information materials to the Management Board, in particular for matters regarding which the Chief Executive Office or any other specific executive employee of the organisation is obliged to report to the Management Board, the Supervisory Board or to the General Meeting.

The Management Meeting meets weekly, and it is made up of permanent members and ad hoc members. In accordance with items of agenda of the Management Meeting, the heads of IT, HR and risk management as well as the managers of projects shall report regularly. The meetings are recorded in minutes, which shall include the key points of the meeting, the tasks and duties that arose, the persons responsible for the fulfilment thereof and the deadlines.

#### **Member of the management of the Company**

Those managers of the Company – in addition to the Management Board and Supervisory Board members already listed above – whose professional knowledge and experience contributes crucially to the successful functioning of the Company in 2022.

Kőrösi Zoltán, deputy CEO of bank insurance sales

Szűcs Árpád, Financial deputy CFO

Kozma Norbert, chief risk officer

Dr. Déri Katalin, chief compliance officer

Dr. Halász Katalin, chief physician

Kantavári Zsolt, head of the insurance claim settlement department

Dr. Kozma Dávid, Business support and legal deputy CFO, chief legal counsel

Kóka Antal, deputy CFO for Retail sector

Dr. Marczi Erika, head of internal audit

Máriás Nikolett, chief accountant

Nagy Ágnes, independent distribution channel sales manager

Dr. Pintér Imre, senior legal counsel, money laundering reporting officer (until 11.05.2023)<sup>4</sup>

Szabó Géza, chief actuary,

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<sup>4</sup> from 11. 05. 2023 Dr. Gábor Miklós Dakó

Szula Boglárka, reinsurance manager,  
Tóth Alexandra, CFO and accounting manager,  
Zánkai Attila, IT director

### **Data Assessment Committee**

The Data Assessment Committee is any ad hoc body made up of the person responsible for Investor Relations, the chief legal counsel, the Chief Executive Officer and the Deputy Chief Executive Officer responsible for Company Governance and Prudential Compliance. The duty of the Data Assessment Committee is to establish in case of doubt whether the given item of information/data is considered as regulated information – and in particular, inside information – based on the content thereof. Subject to the nature of the given data or information, the Data Assessment Committee shall carry out the assessment without delay, but as soon as possible, paying special attention and complying with the time limits and frameworks of the disclosure as specified by the relevant specific laws, and the Data Assessment Committee shall notify the parties concerned of the result of the assessment without delay, and if the statutory conditions are met, shall initiate the disclosure of the information.

The members of the Data Assessment Committee were the following in 2022: Chief Executive Officer Dr. Fedák István, Chief Legal Counsel Dr. Kozma Dávid, Business support and legal deputy CFO, Deputy Chief Executive Officer responsible for Company Governance and Prudential Compliance Dr. Dakó Gábor.

**Introduction of the system of internal controls, assessment of the current period business Report on the efficiency and success of the risk management procedures. (Information on where the shareholders can access the report of the Board of Directors on the functioning of the internal controls.)**

### **System of internal controls**

The functioning of the system of internal controls is ensured at the Company in compliance with the relevant laws and with taking the relevant recommendations into account. Therefore, in particular: Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, known as “Solvency II”, Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as well as Recommendation No 12/2022 (VIII. 11.)<sup>5</sup> of the Magyar Nemzeti Bank on setting up and using internal safeguards and on the management and control functions of financial organisations, and Recommendation 17/2019 (IX. 20) of the Magyar Nemzeti Bank on the Governance system of insurers and reinsurers. The organisational units and the officers who make up the

<sup>5</sup>On 1 January 2023, Recommendation No 27/2018 (XII. 10.) of the Magyar Nemzeti Bank on setting up and using internal safeguards and on the management and control functions of financial organisations was repealed, and Recommendation No 12/2022. (VIII.11.) of the Magyar Nemzeti Bank on setting up and using internal safeguards and on the management and control functions of financial organisations entered into effect.

internal lines of defence specified the duties and the individual scopes of responsibility related to internal protection in a policy, the provisions of which were also included in the job descriptions of the responsible persons.

### **Internal audit system**

The elements of the internal audit system are the audit built in the processes of the Company, the management audit and the independent internal auditor. The internal auditor is subject to the professional leadership of the Supervisory Board.

The internal audit is performed by the internal auditor. The internal audit includes the comprehensive review, analysis and assessment of the business activity, exploration of hindering circumstances and irregularities, initiation of actions, carrying out the reviews specified by law and in the internal instructions, such as targeted reviews, general reviews, and ensuring that the experiences are utilised. The task of the internal auditor is limited to the review of the Company's operation compliant with the internal policies, and the review of the insurance activity with respect to legality, security, transparency and expediency. The internal auditor shall verify the content accuracy and the completeness of the reports and data provisions submitted by the Company to the Supervisory Authority at least quarterly. The internal auditor shall send his/her reports to both the Supervisory Board and the Management Board, and shall provide the Hungarian versions of such reports to the auditors in case of audit by the supervisory authority. The employer's rights related to the internal auditor are exercised directly by the primary leader.

The internal audit of the Company has an audit handbook and a three-year rolling work plan. After the Supervisory Board had approved the internal auditor reports, the findings thereof shall be discussed and continuously monitored by the Management Board as well. The Risk Management Committee shall discuss compliance with the deadlines specified in the internal auditor reports on a monthly basis. The Company - after the conclusion of the Supervisory Authority investigations – shall review the risk assessment prepared by the supervisory authority on the company on a yearly basis, and the head of internal audit shall report on such risk assessment to the Supervisory Board.

The built-in control of the administration is realised through the four eyes principle. Each transaction is approved by a different employee in the "BANCS" financial control system. In the financial department, the verification of performance and the payment functions are separated.

### **Risk Management Committee**

The primary duty of the Risk Management Committee is to assist and support the Management Board in ensuring that it can perform its risk management activity in compliance with the laws and other rules, as well as the Articles of Association and the internal policies of the Company. Within this framework, the Risk Management Committee

shall review, revise and analyse the risk management activity of the Company quarterly and as necessary, and it shall produce reports on the risk management activity of the Company and formulate recommendations for the Management Board based on the findings.

#### The Risk Management Committee

- its Chairman is the lead risk manager;
- its permanent members are the Deputy Chief Executive Officer for Corporate Governance and Prudential Compliance (Vh1), the Deputy Chief Financial Officer (Vh2), the Chief Internal Auditor, the Deputy Chief Legal and Business Support Officer (Vh5), the Chief Compliance Officer (CO), the Chief Operating Officer and the Chief Actuary;
- its ad hoc members – subject to the agenda – are the Chief Financial Officer, the IT Director, the Information Security Officer, the head of the insurance claim settlement department, as well as any employee representing the department specified in the Organisational and Operational Rules the invitation of whom is reasonable for the purpose of discussing the item of agenda concerned.

#### The key duties of the Risk Management Committee:

- a. monitoring and development of the risk management framework applicable to the entire Company;
- b. negotiating and proposing the adoption of a risk map and monitoring the risks contained therein;
- c. monitoring the implementation of the risk management policies adopted by the Board of Directors;
- d. monitoring the achievement of the 'risk appetite' (i.e. the magnitude and type of risks that an organisation is prepared to accept) as defined by the Board of Directors;
- e. monitoring the approved risk management measures and measuring their effectiveness;
- f. developing risk awareness throughout the organisation;
- g. ongoing compliance with and enforcement of the provisions on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II);
- h. discussing quarterly risk reports and deciding on the acceptance or reduction of identified risks falling within its remit and proposing the management of risks outside its remit;
- i. discussing in advance the annual risk management report to the Board of Directors.

The detailed rules of the functioning of the Risk Management Committee are determined by the Rules of Procedure of the Risk Management Committee.

The Risk Management Committee shall regularly monitor all risks of the Company, depict such risk on the risk map, and shall determine the management possibilities and the responsible persons.

#### Chief Risk Officer - Risk Management Directorate



Based on compliance with the provisions of the Bit., we established the Chief Risk Officer position as an independent position, who reported directly to the Chief Executive Officer. The scope of tasks and duties of the Chief Risk Officer extend to the following:

- development of the risk strategy of the Company, in accordance with the business strategy of the Company;
- development and operation of a risk management system suitable for the development, continuous monitoring and reduction of the risk of the Company;
- establishment of risk reduction procedures, monitoring of the implementation and follow-up of the results;
- shall carry out the assessment of the risk exposure based on the risk self-assessment, the measuring and regular analysis of past loss data, the collection and evaluation of risk indicators (KRI), as well as the findings of expert examinations, which shall be supported by documentation;
- in addition to the primary result of the risk reduction, the Chief Risk Officer shall increase risk awareness in the business decisions of the Insurance Company;
- shall verify by his/her signature the calculations, assessments and reports made by him/her;
- Risk Management assesses the results of risk management activities, trends and external circumstances affecting risk and reports its findings to the Board of Directors in a quarterly report;
- detailed reporting on risk exposures and informing the administrative, management or supervisory board on risk management matters, including strategic matters such as corporate strategy, mergers and acquisitions, and major projects and investments;
- carrying out risk management tasks in its area of competence in the course of the company's risk management activities, providing data on the current values of risk indicators.

The Chief Risk Officer shall cooperate with the person who fulfils the actuary function, in the framework of which:

- The Chief Risk Officer shall be responsible for fulfilling the tasks specified in detail by the Business Insurance Act accurately, and in a manner that allows subsequent monitoring and analysis;
- sign to certify the calculations, valuations and reports prepared by the chief actuary;
- Related to the reporting: shall submit his/her written report to the Chief Executive Officer meeting at least once per year;
- shall submit his/her annual report directly to the Management Board and the Supervisory Board.

The Chief Risk Officer shall be responsible for the operation of the risk management system, which includes:

- supporting the Supervisory Board and other persons in key roles in the interest of the efficient functioning of the risk management system;

- monitoring of the risk management system;
- monitoring of the individual risk profile of the insurance Company;
- verification of the solvency margin need calculation;
- preparation of a detailed report on the risk exposures as necessary, but at least once per year;
- giving advice to the Supervisory Board in risk management matters, among others, in strategic matters such as the corporate strategy, mergers, acquisitions, key project and investments, and
- identification and assessment of the risks that occur.

### **Chief Compliance Officer**

The compliance (hereinafter referred to as: Chief Compliance Officer) function was also established in accordance with the provisions of the Bit. The Chief Compliance Officer responds directly to the Chief Executive Officer, and the scope of responsibility of this function includes the identification and management of those compliance risks which occur as a result of non-compliance with the relevant laws and other regulations other than laws.

#### Regulatory tasks and duties:

- coordination of the development and review of the policies of the Company;
- determination of the areas of compliance and the scope of compliance rules related thereto;
- monitoring of regulatory changes, impact assessment: in the framework of this, the Chief Compliance Officer shall monitor the changes in the laws and other regulations (e.g. supervisory authority regulatory instruments) applicable to the Company;
- in case of changes in the regulatory environment, initiation of the review and the necessary amendment of the internal processes and policies;
- preparation and continuous updating of the compliance policy.

#### Operative tasks and duties:

- assessment of compliance with the compliance rules in accordance with the provisions of the approved annual compliance plan, continuous monitoring thereof in all areas relevant to the compliance risks. Notifying the Supervisory Board and the Management Board of any breach of the compliance rules;
- giving advices to the management of the Company in compliance matters;
- the compliance-based assessment of the internal policies if the Company, monitoring of the annual review of the policies;
- educating the employees of the Company in the rules related to compliance and in other topics related to compliance, the continuous maintenance of the related training material;
- assessment, at least yearly review and updating of the compliance risks of the Company, establishment and at least yearly review of the compliance risk map;

- in accordance with the Conflict of Interest Policy, the Chief Compliance Officer shall participate in the identification and management of the conflicts of interest specified;
- giving compliance-based opinion before the introduction of new products and procedures;
- controlling of the fulfilment of tasks related to the combatting of money laundering;
- monitoring the consumer protection monitoring of products;
- monitoring of the complaint management activity;
- management of the notifications sent to the [bejelentem@cig.eu](mailto:bejelentem@cig.eu) e-mail address, in case of suspicion of fraud, the Chief Compliance Officer shall act in accordance with the Fraud Prevention Policy;
- coordination of the fraud prevention activity, participation in the discovery and investigation of frauds.

The Chief Compliance Officer shall submit reports on his/her activity and the compliance risks regularly to the Management Board, the Audit Committee, the Supervisory Board and the Risk Management Committee. The relevant regulations are included in detail in the Compliance Policy.

#### **Money laundering reporting officer (AMLO)**

In accordance with the provisions of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (hereinafter referred to as **Anti-Money Laundering Act**), the Company regulates and applies the rules related to the prevention and combatting of money laundering and terrorist financing based on uniform principles. In compliance with the provisions of the Anti-Money Laundering Act, a separate position was created for the fulfilment of these tasks, the holder of which position is obliged to forward the notifications received by him/her immediately to the authority that functions as the financial intelligence unit. Main tasks:

- If the money laundering reporting officer receives information in any other manner regarding the uncommon transaction, then he/she shall request information from the employee or the insurance intermediary, and shall send such information in the form of a report,
- organisation of regular, but at least once yearly training, further training for the employees, with sharing the current experience
- controlling the operation of the screening systems
- maintaining contact with the designated units of the authority acting as financial intelligence unit, subject to proper request, provision of information on the reported transactions, customers, as well as on the contractual relationships and transactions that are not included in the notification (the request must comply with the requirements specified by other laws, such as Act LXXXVIII of 2014 on the Business Insurance Activity and Act XC of 2017 on the Code of Criminal Procedure)
- development of the purpose, task, procedures and rules of the audit related to prevention and combating of money laundering and terrorist financing, as well as the regular controlling of the functioning thereof.

In 2023, the activities of the Money Laundering Reporting Officer were directly supervised by the Deputy CEO for Corporate Governance and Prudential Compliance.

### **Data Protection Officer**

In order to comply with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation – hereinafter referred to as GDPR Regulation), and to determine the systems of the controlling and processing of personal data, the enforcement of data subject rights, as well as the system of responsibilities related to the above, the Company adopted a data protection policy and appointed a data protection officer for the fulfilment of the data protection duties. The Company establishes and maintains business relationships for data processing, insurance brokering and outsources activities exclusively with those enterprises which agree to observe the provisions of the GDPR and to act in compliance with the data protection policy of the Company. The Company publishes its data protection provisions also on its website in those countries in which the Company concludes consumer contracts in the framework of cross-border activity.

The Company created and maintains an internal Internet-based notification platform for the management of personal data breaches.

### **Auditor**

In addition to the audit of the annual accounts, additional tasks for the auditor of the Company are stipulated by Section 71(4) of the Business Insurance Act as well. The auditor shall examine

- the accuracy of supervisory authority reports of the Company;
- compliance with the regulations relating to effective reliable and independent ownership and prudential, as well as the supervisory authority decisions;
- the conformity of the continuous record keeping, data processing and data disclosure system;
- the proper functioning of the control systems.

The key elements of the auditor contract:

- the audit of the Company's individual accounts compliant with the international financial reporting standards approved by the EU, and the audit of the consolidated financial statements compliant with the international financial reporting standards approved by the EU for the 2020 financial year;
- the audit of the supplementary report of the Company compliant with Sections 71(4)-(7) of the Business Insurance Act;
- as well as the review of the supervisory audit data provisions to the MNB specified by the Business Insurance Act, and
- audit of the compliance with the SII requirements.

The auditor was in regular contact with the Chairman of the Audit Committee, and on an ad hoc basis attended the meetings of the Audit Committee and the meetings of the Supervisory Board related to the annual account, as well as the meetings of the Management Board held for the discussion of the contents of the auditor's executive letter. The Company elected the auditor for three years, which mandate expires upon the approval of the annual accounts for 2023.

#### **Information on whether the auditor has performed an activity that is not related to the audit**

The audit of the Company is carried out by MAZARS Könyvszakértő és Tanácsadói Korlátolt Felelősségű Társaság (in English: Mazars Auditing and Consulting Limited Liability Company) (registered office: HU-1123 Budapest, Nagyenyed utca 8-14.; company registration number: 01-09-078412; tax number: 10618684-2-43; Chamber of Auditors registration number: 000220). During the year 2023, the Company did not give the auditor any other assignments beyond the audit and pre-audit activities to comply with IFRS 17, so the independence requirement was fully met.

#### **Brief description of the Company's disclosure policy and its policy related to the trading of insider dealers**

The Company complies with its disclosure obligations in accordance with the relevant provisions of Act CXX of 2001 on the Capital Market provisions of Minister of Finance Decree No. 24/2008 (VIII.15.) on the Detailed Rules of the Disclosure Obligation Related to Publicly Traded Securities and the General Terms of Service of the BSE.

#### **The places of publication of the Company:**

Company website	<a href="http://www.cigpannonia.hu">www.cigpannonia.hu</a>
Website hosted by the Hungarian National Bank	<a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a>
The official website of BSE	<a href="http://www.bet.hu">www.bet.hu</a>

As the general rule, the management of the Company decides through the designated person, or as a supplementary possibility, based on the opinion of the Data Assessment Committee whether a given piece of information concerns the value or yield of the CIGPANNONIA share or the reputation of the Company directly or indirectly, and whether such piece of information has to be disclosed based on the maturity thereof.

The Company prohibits insiders and the persons closely associated with them to make transactions with the CIGPANNONIA shares during the prohibition period and for the period of holding the insider information, transactions are not limited otherwise. The periods of transaction ban of persons with executive functions are

published by the Company on its website<sup>6</sup>. The transactions of executive employees are disclosed without delay by using the forms specified by Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (MAR) and the annexes thereof.

### Overview of how to exercise shareholder rights.

#### *The accessibility of the annual accounts and the proposals for resolution of the General Meeting*

The Company shall disclose the key data of the draft annual accounts prepared in accordance with the Accounting Act and the key data of the reports of the Management Board and the Supervisory Board, the summaries of the number of shares and voting rights existing at the time the General Meeting is convened (including the summaries for each class of shares), as well as the summary of the proposals related to the items on the agenda and the proposals for resolution at the Place of Publication at least 21 (twenty-one) days before the general meeting. The Management Board shall provide information at the latest three days before the date fixed for the general meeting to all shareholders which may be deemed necessary for discussions held in connection with the items placed on the agenda of the general meeting upon written request submitted at least eight days before the date fixed for the general meeting.

#### *The right for information*

The executive officer may refuse to give information and to provide access to documents if this would infringe upon the legal person's trade secrets, if the requesting party exercises his right in a manner which is abusive, or if he refuses to make a declaration of confidentiality despite having been asked to do so. If the requesting party considers the refusal of information unjustified, he may request the court of registry to order the legal person to provide access to the information.

#### *The right to agenda item proposal*

To the extent that the shareholders together controlling at least one per cent of the votes in a public limited company propose certain additions to the agenda in accordance with the provisions on setting the items of the agenda, or table draft resolutions for items included or to be included on the agenda, the matter proposed shall be construed to have been placed on the agenda if such proposal is delivered to the Directorate within eight days following the time of publication of notice for the convocation of the general meeting, and the Management Board publishes a notice on the amended agenda, and on the draft resolutions tabled by shareholders upon receipt of the proposal. The matter published in the notice shall be considered to be placed on the agenda.

<sup>6</sup> [https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1g%C3%A1ny%C3%ADt%C3%A1s/tilalmi-id%C5%91szakok\\_2022\\_mod.pdf?sfvrsn=237f03cd\\_2](https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1g%C3%A1ny%C3%ADt%C3%A1s/tilalmi-id%C5%91szakok_2022_mod.pdf?sfvrsn=237f03cd_2)

If the shareholders exercised their rights specified in this paragraph, then the Company shall disclose the agenda supplemented by the shareholders' proposal(s) and the proposals for resolution submitted by the shareholders on the Places of Publication on the working day following the day the time limit for exercising shareholders' rights expires.

*Enforcement of the principle of one share, one vote*

Each and every dematerialised, registered, voting ordinary shares with the nominal value of HUF 33 (i.e. thirty-three Hungarian Forints) (ISIN HU0000180112) entitle the shareholder to cast one vote in the general meeting. In order to notify the shareholder and to comply with its obligation under Section 54(9) of Act CXX of 2001 on the Capital Market, the Company publishes information notices on the composition of the share capital of the Company and the number of voting rights attached to the shares, in regular intervals at the official places of publication.

*Right to representation and the measures facilitating the exercising thereof*

Shareholders may exercise their right to vote at the general meeting in person or through their representative (organisational or acting based on power of attorney). The Shareholder may not be represented by executive officers, members of the Supervisory Board and the Auditor of the Company.

A representative may represent several shareholders, but a shareholder may have only one representative. The representative must vote in accordance with the instructions of the shareholder appointing him as a representative, otherwise the vote is invalid. If the shareholder holds shares in the Company which are held in several securities settlement accounts, then such shareholder may authorise a separate representatives for the shares held in each securities account, but different votes shall not be cast for shares which belong to the same shareholder. If different votes were been cast for shares which belong to the same shareholder, then all such votes shall be invalid. These provisions do not prejudice the rules regulated shareholder proxies specified in Act CXX of 2001 on the Capital Market. The form for granting the power of attorney may be downloaded also from the website of the Company ([www.cigpannonia.hu](http://www.cigpannonia.hu)).

The power of attorney issued for the name of the proxy (including the power of attorney given by using the form) shall be incorporated in a public document or a private document with full probative force. If the power of attorney was drafted abroad, then the formality of the power of attorney shall also comply with the laws on the authentication and certification of documents issued abroad. If the power of attorney was issued not in Hungarian, then the relevant authentic Hungarian translation shall be attached. In case of non-natural person shareholders, the organisational power of representation of the person signing the power of attorney or acting on behalf of the non-natural person shareholders at the general meeting shall be verified by original document issued by a public registry

and not older than 30 days, the authentic copy thereof (e.g. official certificate of incorporation) or by notarial statement during the registration prior to the general meeting, or simultaneously with sending the power of attorney form to the Company, in addition, a copy of the notarized signature specimen or the signature specimen of the person concerned shall be attached. If the document verifying the power of representation was issued in a language other than Hungarian, then an authentic Hungarian translation shall be attached. The power of attorney shall be deposited during the registration before the start of the general meeting at the latest.

### **Brief description of the rules relating to the conduct of the General Meeting.**

#### *Identification procedure*

The names of shareholders and proxies wishing to participate in the general meeting shall be entered into the register of shareholder at the latest by the second working day preceding the beginning of the general meeting. In the general meeting shareholders rights may be exercised only by the persons whose names are contained in the register of shareholders at the time it was closed. The transfer of shares before the opening day of the general meeting shall not affect the right of a person whose name is contained in the register of shareholders from attending the general meeting and from exercising his shareholder's rights. The right to exercise the shareholders' rights at the general meeting shall be established through shareholder verification, therefore no certificate of ownership is necessary for exercising the shareholders' rights. The Company requests shareholder verification from KELER Zrt. (in English: Central Clearing House and Depository / KELER Plc.) (registered office: HU-1074 Budapest, Rákóczi út 70-72.) – as the registrar of the Register of Shares - for the time and date of the general meeting as corporate event of the Company. The keeper of the shareholder register shall delete all data contained in the shareholder register at the time of the identification procedure, and shall simultaneously enter the data obtained upon the identification procedure into the shareholder register, then on the 3rd (third) working day following the reporting day of the identification procedure the keeper of the shareholder register closes thereof on the basis of the identification procedure data. Other provisions related to the identification procedure are included in the effective The General Terms of Service of KELER Zrt. at all times.

#### *Registration at the general meeting*

If the conditions for attending the general meeting and for exercising the voting rights specified in the notice of invitation to the general meeting are fulfilled, then the shareholder or the shareholder's representative (acting based on power of attorney or organizational) may request the voting paddle – which entitles its holder to vote and to attend the general meeting – after the verification of identity and the power of representation during the registration before the general meeting, at the venue of the general meeting, and after signing the attendance sheet. During the registration before the general meeting, the shareholder or shareholder's representative (acting based on power of attorney or organizational) shall prove his/her identity with a valid official certificate of identity or with a passport.



### *Counting of the votes*

The Company examines whether there is quorum for the voting on each and every proposal for resolution at the general meeting. Accordingly, during the entire duration of the general meeting, the shareholder may have himself/herself registered or removed from the registry. Votes are counted by holding up the voting sheets. The committee that counts the votes shall be elected by the general meeting. During registration, the number of votes corresponding to the number of shares shall be determined for each and every voting sheet, so that the principle of one share, one vote is not violated.

### *The venue and the language of the general meeting*

The general meeting shall be held in Hungarian, at the registered office of the Company or at the place and on the date and time specified in the Notice (Invitation to General Meeting). The Company shall choose the venue of the General Meetings in a manner that ensures that the venue conforms with all formal requirements related to the organisation of the general meeting.

The Company ensures that the own interpreters of those shareholders who had submitted a relevant request in writing and prior to the general meeting - by specifying the name and personal data of the interpreter – can attend the general meeting.

### *Disclosure of the resolutions of the general meeting*

The Company shall ensure that the shareholders – if they did not attend the general meeting – can access the resolutions of the general meeting within half an hour, through disclosure.

## **Description of how the issuer complies with the provisions of Chapter IV of Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and Amendments of Certain Regulations for the Purposes of Legal Harmonisation<sup>7</sup>**

The Management Board – based on the recommendation of the Remuneration and Nomination Committee and with the concurring opinion of the Supervisory Board - adopted a unified Remuneration Policy, which entered into effect with respect to the scope of persons specified in Section 2(2) of the SRD Act and as a result of the opinion vote of the General Meeting with effect from 19 April 2021, from which day the Remuneration Policy replaced

<sup>7</sup> In course of the 2020 review of the recommendations, the Responsible Corporate Governance Committee repealed the recommendations included in Chapter 1.5 and Section 1.6.7 applicable to remuneration, and accordingly, it adjusted Sections 1.6.2, 1.6.9 and 2.2.2 and Annex 1, considering that as of July 2019, the rules related to remuneration are regulated by Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and Amendments of Certain Regulations for the Purposes of Legal Harmonization. Nevertheless, in the Committee intends to make recommendations to the issuers in the future which supplement and explain these statutory provisions, however, first the practice related to these new legal provisions must be established. The new recommendations, suggestions that replace the repealed sections – which will be approved by the Corporate Governance Committee later – will summarize such practical experience.

the former remuneration policy of the Company which was effective from 24 April 2020. In 2022, in addition to taking the experiences into consideration, the Remuneration and Nomination Committee discussed the Remuneration Policy revised and updated by the Company. The Remuneration Policy required updating and content and formal review, since on 19 April 2021, the policy that was adopted by the General Meeting of the Company<sup>8</sup> and therefore became effective contained a framework, which was affected by the strategy created after the entry into effect of the framework, the development of the performance evaluation system, the notes of the auditor of the Company, the personnel changes affecting the personal scope of the policy (e.g. new deputy chief executive officer position), therefore the Company considered it reasonable to revise the policy under version number 2.0 with the agreement of the Remuneration and Nomination Committee and to submit it to the General Meeting. The General Meeting of the Company approved the Remuneration Policy on 19 April 2022<sup>9</sup>.

The Remuneration Policy includes the description of the decision-making process for determining, reviewing and implementing the remuneration policy and the role of the Remuneration and Nomination Committee operated by the Company in accordance with the provisions of the SRD Act. The general purpose of the remuneration policy is to contribute to the business strategy, long-term interests, and the sustainability of the Company, and it explains in an unambiguous and transparent manner how it intends to achieve these goals.

The specific purpose of the Remuneration Policy is to ensure that the Issuer has a sufficiently detailed remuneration system determined by the regulatory environment due to its regulated market presence, which remuneration system is in line with, but it is NOT the same as the Remuneration Policy specified by Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), which contains the obligation of insurers to prepare remuneration policies.

Another specific goal is that the Remuneration Policy for the Company is determined by the remuneration policy specified by Section 16(1) of the SRD Act, meaning that it stipulates rules regarding the scope of persons holding the position of Director as defined by the Remuneration Policy, and recognises the performance of such persons in a manner that is in line with the business strategy and the established objectives of the Issuer, the sustainability of development, both in the medium and long term and facilitates the realisation of such objectives.

Another key objective of the Remuneration Policy is to provide the Company's Investors with accurate and factual information on the principles related to remuneration and the practice based on such principles, in accordance with the principle of openness and the rules of capital market regulations.

As part of the remuneration system of the Company, the Remuneration Policy promotes reliable and effective risk management and does not encourage risk-taking within the Company or its subsidiaries that exceeds the risk-taking limits of the Company and/or its subsidiaries.

<sup>8</sup> Management Board Resolution No. 12/2021. (IV.19.) adopted in the General Meeting capacity

<sup>9</sup> General Meeting Resolution No. 15/2022. (IV.19.)

### Corporate Governance Report on compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the tables below, the Company declares the extent to which it applied the recommendations and proposals defined in the specific sections of the Corporate Governance Recommendations (CGR) issued by the BSE in the Company's own corporate governance practice.

By reviewing the tables, market players can easily see the extent to which each company's corporate governance practices meet certain requirements of the CGR and easily compare the practices of individual companies.

The Recommendations include recommendations that are mandatory for all issuers, and not mandatory proposals. The issuers may deviate from both the mandatory recommendations and the non-binding proposals. In case of deviation from the recommendations, the issuers shall disclose and explain ("comply or explain") the deviation in the corporate governance report. This allows the issuers to take sectoral and company-specific needs into consideration. Accordingly, as the case may be, an issuer that deviated from the recommendations could also comply with the corporate governance requirements. In case of proposals, the issuers must disclose whether they apply the guideline concerned, and the issuers also have the opportunity to provide a reasoning for the deviation from the proposals.

The principle and purpose of the responsible corporate governance report is to give an account of the previous financial year of the company and reveal the extent to which the issuer complied with the Recommendations. However, the Recommendations may also include recommendations and proposals that refer to events or incidences that did not occur at the issuer during the given period. In line with previous practice, "YES" can be the answer given to such "event-type" questions even if the given event did not take place during the financial year (for example, dividend was not distributed at all; or no shareholder comments were received regarding the proposals before the general meeting), however, the company would have acted in accordance with the provisions of the Recommendation based on the provisions of its articles of association and its practices upon the occurrence of the given event. In such a case, the solution that complies with the principle of transparent operation the most is if the issuer adds as an explanation to the "YES" answer, explaining that the event in question did not occur in the previous financial year, but the proper handling of such event is ensured.

#### Level of compliance with the Recommendations

The company shall indicate whether it applies the relevant recommendation, and in case of negative answer, the company shall include a brief explanation of the reasons for which it did not apply the given recommendation.

**1.1.1.** The Company has an organizational unit dealing with investor relations or a person appointed for this purpose performs these tasks.

Yes

No

Explanation:

**1.1.2.** The Company's articles of association can be viewed on the Company's website.

Yes

No

Explanation:

**1.1.4.** Where the Company's articles of association allow shareholders to exercise their rights in their absence, the Company has published on its website the terms and conditions, including the necessary documents.

Yes

No

Explanation:

**1.2.1.** The Company has published a summary document on its website regarding the rules for conducting General Meetings and exercising shareholder voting rights.

Yes

No

Explanation:

**1.2.2.** By indicating the exact date, the Company has disclosed with respect to which date the number of persons entitled to participate in the given corporate event will be determined (the record date) and the date on which the shares entitling to participation in the given corporate event will be last traded.

Yes

No

Explanation:

**1.2.3.** The General Meetings of the Company were held in such a way so as to allow as many shareholders as possible to appear.

Yes

No

Explanation:

**1.2.6.** The Company did not restrict that the shareholder appoint a separate representative for each general meeting for each securities account.

Yes

No

Explanation:

**1.2.7.** In the case of proposals prepared for the items on the agenda, in addition to the resolution proposal of the Board of Directors, the opinion of the Supervisory Board was also available to the shareholders.

Yes

No

Explanation:

**1.3.3.** The Company did not restrict the right of shareholders participating in the General Meeting to get information, comment and make any proposals, and did not impose any preconditions for that, except for the measures taken to ensure the regular and proper conduct of the general meeting.

Yes

No

Explanation:

**1.3.4.** By answering the questions raised at the General Meeting, the Company ensured compliance with the information and disclosure principles set out in legal and stock exchange regulations.

Yes

No

Explanation:

**1.3.5.** Within three working days after the General Meeting, the Company published on its website the answers to the questions which the representatives of the Company's bodies present at the General Meeting or the auditor could not answer satisfactorily, or published information on the reasons for not responding.

Yes

No

Explanation: There was not such a procedure in 2023.

**1.3.7.** The Chairman of the General Meeting ordered a break or proposed to suspend the General Meeting if the issues included in the agenda of the General Meeting received a motion or proposal that the shareholders could not get acquainted with before the General Meeting.

Yes

No

Explanation: There was not such a procedure in 2023.

**1.3.8.1.** The Chairman of the General Meeting did not use a consolidated voting procedure in deciding on the election and removal of senior executives and members of the Supervisory Board.

Yes

No

Explanation:

**1.3.8.2.** In the case of senior executives and members of the Supervisory Board nominated with shareholder support, the Company provided information on the identity of the supporting shareholder (s).

Yes

No

Explanation: There was not such shareholder proposal in 2022.

**1.3.9.** Prior to the discussion of the agenda items related to the amendment of the Articles of Association, the General Meeting decided by a separate resolution whether it intends to decide on certain items of the amendment to the Articles of Association separately or by consolidated resolutions, or resolutions consolidated from a certain aspect.

Yes

No

Explanation:

**1.3.10.** The Company published the minutes of the General Meeting containing the resolutions and the description of the proposed resolutions, as well as the relevant questions and answers related to the proposed resolutions, within 30 days after the General Meeting.

Yes

No

Explanation:

**1.6.1.1.** The Company's disclosure policies cover electronic and Internet disclosure procedures.

Yes

No

Explanation:

**1.6.1.2.** The Company will design its website with disclosure considerations and investor information in mind.

Yes

No

Explanation:

**1.6.2.1.** The Company has internal disclosure regulations that cover the handling of the information listed in Section 1.6.2 of the Recommendations.

Yes

No

**1.6.2.2.** The Company's internal regulations cover the classification of events that are significant for disclosure.

Yes

No

Explanation:

**1.6.2.3.** The Management Board / Board of Directors assessed the effectiveness of the disclosure processes.

Yes

No

Explanation: The Company complied with the provisions of its relevant disclosure policy in all respects, therefore the efficiency will be measured as part of the relevant internal audit tasks, according to a schedule and with focus on compliance with the laws.

**1.6.2.4.** The Company has published the results of its examination of disclosure processes.

Yes

No

Explanation: the results of internal audit investigations are not made public, but are sent to the Magyar Nemzeti Bank as the supervisory authority upon request.

**1.6.3.** The Company has published its annual corporate calendar.

Yes

No

Explanation:

**1.6.4.** The Company has disclosed its strategy, business ethics and policies for other stakeholders.

Yes

No

Explanation:

**1.6.5.** The Company has published information on the professional careers of the members of the Management Board / the Board of Directors, the Supervisory Board and the management in the annual report or on its website.

Yes

No

Explanation:

**1.6.6.** The Company has disclosed relevant information on the work of the Management Board / the Board of Directors, the Supervisory Board and the management, their evaluation and changes during the year in question.

Yes

No

Explanation:

**1.6.8.** The Company has published its risk management guidelines and information on the system of internal controls, as well as the main risks and their management principles.

Yes

No

Explanation:

**1.6.9.1.** The Company has disclosed insider guidelines regarding the trading of the Company's shares in securities.

Yes

No

Explanation: The Company did not adopt any regulations that deviated from the MAR regulation and does not intend to restrict the purchase of shares by insiders, except for purchases during the prohibition period. The internal rules on MAR compliance are available to the public without restriction on the Company's website.

**1.6.9.2.** The Company has disclosed the shareholdings of the members of the Management Board / the Board of Directors, the Supervisory Board and the management in the Company's securities and the interest in the share-based incentive plan in the annual report or otherwise.

Yes

No

Explanation:

**1.6.10.** The Company has disclosed the relationship of the members of the Management Board / the Board of Directors, the Supervisory Board and the Management with any third party that may affect its operations.

Yes

No

Explanation: There were no such specific cases in 2023, if they arise, they will be published immediately.

**2.1.1.** The Company's Articles of Association contain clear provisions on the tasks and powers of the General Meeting and the Management Board / the Board of Directors.

Yes

No

Explanation:

**2.2.1.** The Management Board / the Board of Directors has rules of procedure that set out the tasks related to the preparation, conduct of and resolutions passed at the meetings, as well as other issues related to the operation of the Directorate / the Board of Directors.

Yes

No

Explanation:

**2.2.2.** The company publishes the procedure for nominating the members of the Management Board / the Board of Directors and the principles for determining the remuneration.

Yes

No

Explanation:

**2.3.1.** The Supervisory Board shall detail the operation, powers and tasks of the Board, as well as the administrative rules and processes according to which the Supervisory Board shall act in its rules of procedure and work plan.



Yes

No

**2.4.1.1.** The Management Board / the Board of Directors and the Supervisory Board met regularly at pre-determined times.

Yes

No

Explanation:

**2.4.1.2.** The rules of procedure of the Management Board / the Board of Directors and the Supervisory Board provide for holding meetings that cannot be planned ahead, and decision-making by electronic means.

Yes

No

Explanation:

**2.4.2.1.** Board members had access to the submissions of the meeting in question at least five working days before the meeting.

Yes

No

Explanation: as a general rule, yes, however, there could be decision-making situations that are simple and are known to the members of the Management Board where – based on the consensus of the members - only verbal proposals or a short decision-making time limits are available to the members.

**2.4.2.2.** The Company ensured the regular conduct of the meetings and the preparation of minutes of the meetings, as well as the management of the documentation and resolutions of the Management Board / the Board of Directors and the Supervisory Board.

Yes

No

Explanation:

**2.4.3.** The rules of procedure regulate the regular or occasional participation of non-board members in board meetings.

Yes

No

Explanation:

**2.5.1.** The members of the Management Board / the Board of Directors and the Supervisory Board were nominated and elected in a transparent manner, and the information about the candidates was made public in due time before the General Meeting.

Yes

No

Explanation:

**2.5.2.** The composition and number of members of the bodies comply with the principles set out in Section 2.5.2 of the Recommendations.

Yes

No

Explanation:

**2.5.3.** The Company ensured that the newly elected members of the board could get acquainted with the structure and operation of the company and the duties to be performed as members of the board.

Yes

No

**2.6.1.** At regular intervals (in connection with the preparation of the annual responsible corporate governance report), the Management Board / Supervisory Board requested confirmation of independence from its members who were considered independent.

Yes

No

Explanation:

**2.6.2.** The Company provides information on the tools that ensure that the Management Board / the Board of Directors objectively evaluates the management's activities.

Yes

No

Explanation:

**2.6.3.** The Company has published its guidelines on the independence of the Management Board / Supervisory Board and the independence criteria applied, on its website.

Yes

No

Explanation:

**2.6.4.** There is no member of the company's Supervisory Board who held a position on the Company's Management Board or management in the five years prior to his nomination, except in cases of ensuring employee participation.

Yes

No

Explanation:

**2.7.1.** A member of the Management Board / Board of Directors has informed the Management Board / the Board of Directors (Supervisory Board / Audit Committee) if he or she (or a person in business relation with him or her or his or her relative) has a significant personal interest in some transaction of the company (or any of its subsidiaries) that makes him / her non-independent.

Yes

No

Explanation: A triggered notification of such a notification did not arise in the year 2022.

**2.7.2.** Transactions and commissions between board and management members (and persons closely associated with them) and the company (or its subsidiary) were conducted and approved in accordance with the company's general business practice, but subject to stricter transparency rules than general business practice.

Yes

No

Explanation:

**2.7.3.** The board member informed the Supervisory Board / Audit Committee (nomination committee) if he / she received a request for board membership or management position at a company not belonging to the company group.

Yes

No

Explanation:

**2.7.4.** The Management Board / the Board of Directors has developed guidelines for the flow of information within the company, the management of insider information, and monitors compliance with these.

Yes

No

Explanation: in line with the included internal rules

**2.8.1.** The Company has established an independent internal control function, which is accountable to the Audit Committee / the Supervisory Board.

Yes

No

Explanation:

**2.8.2.** Internal control has unrestricted access to all information required for the investigations.

Yes

No

Explanation:

**2.8.3.** Shareholders were informed about the operation of the system of internal controls.

Yes

No

Explanation:

**2.8.4.** The Company has a compliance assurance function (compliance).

Yes

No

Explanation: according to internal regulatory documents

**2.8.5.1.** The Management Board / the Board of Directors, or the board operated by it, is responsible for overseeing and managing the overall risk management of the Company.

**Yes**

**No**

Explanation:

**2.8.5.2.** The appropriate body of the Company and the general meeting were informed about the effectiveness of the risk management procedures.

**Yes**

**No**

Explanation:

**2.8.6.** The Management Board / the Board of Directors developed risk management principles tailored to the specificities of the sector and the company, involving the areas concerned.

**Yes**

**No**

Explanation:

**2.8.7.** The Management Board / the Board of Directors formulated the principles related to the system of internal controls, which ensure the management and control of the risks affecting the activities of the company, as well as the achievement of the set performance and profit targets of the company.

**Yes**

**No**

Explanation:

**2.8.8.** The functions of the internal control systems have reported to the competent body at least once on the operation of the internal control mechanisms and corporate governance functions.

**Yes**

**No**

Explanation:

**2.9.2.** The Management Board / the Board of Directors invited the Company's auditor to the meetings discussing the financial statements with consultation rights.

**Yes**

**No**

Explanation:

#### Level of compliance with the Proposals

The company shall indicate whether it applies the relevant proposal of the Recommendations (Yes/No).

The company also has the opportunity to provide a reasoning for the deviation from the proposals.

**1.1.3.** The articles of association of the Company provide for the possibility for a shareholder to exercise his voting rights in his absence.

Yes

No

(Explanation:)

**1.2.4.** The Company determined the place and date of the General Meeting initiated by the shareholders by taking into account the motion of the initiating shareholders.

Yes

No

(Explanation:)

**1.2.5.** The voting procedure applied by the company ensures the clear, unambiguous and fast determination of the result of the voting, and in the case of electronic voting, its authenticity and reliability.

Yes

No

(Explanation:)

**1.3.1.1.** The Management Board / the Board of Directors and the Supervisory Board were represented at the General Meeting.

Yes

No

(Explanation:)

**1.3.1.2.** The Chairman of the General Meeting provided adequate information on the potential absence of the Management Board / the Board of Directors and the Supervisory Board before the substantive discussion of the agenda items.

Yes

No

(Explanation:)

**1.3.2.1.** The Company's Articles of Association do not restrict that, on the initiative of the Chairman of the Management Board / the Board of Directors, any person be invited to the general meetings of the Company to comment and provide an opinion if it is presumed that the presence and opinion of that person is necessary, and it facilitates the provision of information to shareholders and the adoption of decisions by the General Meeting.

Yes

No

(Explanation:)

**1.3.2.2.** The Company's Articles of Association do not restrict that, on the initiative of the shareholders of the Company requesting the addition of agenda items, any person be invited to the General Meetings of the Company to comment and provide an opinion.

Yes

No

(Explanation:)

**1.3.6.** The Company's annual report, in accordance with the Accounting Act, contains a short, comprehensible and concise summary for the shareholders, which includes relevant information related to the Company's annual operations.

Yes

No

(Explanation:)

**1.4.1.** Pursuant to Section 1.4.1, the company paid the dividend to its shareholders who provided all the necessary information and documents, within 10 working days.

Yes

No

(Explanation:)

**1.6.11.** The Company has also published its information in English, in accordance with the provisions of Section 1.6.11.

Yes

No

(Explanation:)

**1.6.12.** The company regularly, but at least quarterly, informed its investors about its operations, financial and pecuniary situation.

Yes

No

(Explanation:)

**2.9.1.** The Company has directed about the internal procedures to be followed in the event of employing external consultant(s) and their outsourced services.

Yes

No

(Explanation:)

## **CIG PANNÓNIA LIFE INSURANCE PLC.**

Management Board