VIENNA INSURANCE GROUP

July 2, 2021

Tender for the Annual Statutory Audit as of 31 December 2023 and Additional Audit Activities of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group – Tender documentation

Annex No.1 – Part II - Additional requirements on the Tender Structure

Dear Mrs/Mr

The Audit Committee of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group had asked the Board of Directors to initiate and conduct a public tendering process for the annual statutory audit and additional audit activities for Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group. The Board of Directors decided to conduct the public tendering process in compliance with the provisions of, in particular, Article 16 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public interest entities ("Audit Regulation") and applicable local legal requirements. With the involvement of competent bodies of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (VIG Holding) as well as certain other undertakings controlled by VIG Holding (together with VIG Holding and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, other tendering procedures as well as a "Joint Tender" will be conducted. With this letter we invite your audit firm to participate in the tender.

1. Subject of the Tender

The tender includes the following audit services:

- the statutory audit of the annual financial statements of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group prepared in accordance with Czech national legislation and the review of other information describing matters that are also presented in the annual financial statements that they are consistent with the financial statements and prepared in accordance with applicable laws and regulations.

The tender includes the following additional audit activities:

- the Solvency II regulatory reviews at solo level; and
- the audit of the reporting packages prepared in accordance with the Group guidelines for consolidation purposes of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group (on the basis of IFRS as applicable in the EU);

All audit services and additional audit activities shall be provided for the financial year ending on 31 December 2023. We intend to award these to the audit firm selected in this or the Joint Tender, subject to the relevant resolution of the competent bodies, at least for the three subsequent financial years 2024 to 2026.

The appointment requirement of the statutory auditor for one year not replaced. It is merely brought to the attention that, taking into account a multi-period proposal, there is in principle the intention to cooperate with the audit firm Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on a long-term basis. It cannot be ruled out that, in the financial year 2023 or in other financial years, the appointment of the auditor may result in a decision in the company's best interests that deviates from the outcome of this or the Joint Tender.

We would also like to point out that the Joint Tender for the audit of the consolidated financial statements and other audit activities is being carried out within the VIG Group. If you or members of the network, to

which you belong to, participate in other tender procedures within the VIG Group, we request you to coordinate the preparation of a group-wide tender with the audit firm that would conduct the group audit within your network.

2. About Us

For information on our undertaking as well as our group of companies and key figures, please refer to our website https://www.cpp.cz/o-spolecnosti and the website https://www.vig.com/en/home.html.

Furthermore, we kindly ask you to state your additional requirements for other information that enables you to submit an adequate proposal in a letter to us by 31 August 2021 at the latest. All received information requests will be answered by e-mail by 30 September 2021, collected and accessible to all participating audit firms by 30 September 2021.

3. The Tendering Process

3.1. Goal

The objective of the tender is to obtain a meaningful proposal as a basis for the selection of our statutory auditor. The selection of our statutory auditor is based on defined selection criteria, which are presented in Appendix. Please use the selection criteria as a guideline and structure your proposal accordingly.

3.2. Organization and Time Schedule

The administrative implementation of the selection process is carried out by a joined team of the ČPP Economic department and the Procurement department in close co-operation and co-ordination with the VIG Group project team. The election of the proposal for the auditor will be prepared and taken by the responsible board. The date of the election will be defined and communicated in advance.

Please refrain from contacting members of the Management Board as well as other employees of our undertaking and members of the Audit Committee and Supervisory Board during the tendering process.

The selection procedure includes the following key steps (subject to change):

July 2021	Start of the selection procedure and public announcement of the tender
15.08.2021	End of the re-registration period for participation incl. declaration of confidentiality and declaration of independence of the auditors
31.08.2021	End of the feedback period for questions on the selection procedure or company information
30.09.2021	Provision of answers to all participants via e-mail: jzdilna@koop.cz
15.10.2021	Transmission of the first proposals to Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group (jzdilna@koop.cz) and VIG Finance and Accounting (audit.tender@vig.com)
October - November 2021	Presentations of selected proposals by the audit firms
15.12.2021	Transmission of the final proposals to Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group (jzdilna@koop.cz) and VIG Finance and Accounting (audit.tender@vig.com)
2022	Preparation of the Election of the auditor 2023 at the Annual General Meeting

3.3 Questions about the Tender

We offer you to submit questions to us. Please send your collected questions until 31 August 2021 by e-mail only to: jzdilna@koop.cz.

We will collect and answer all incoming questions and make them available anonymously to all applicants participating via e-mail.

3.4 Format of the Written Proposal Document

Your proposal for the Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group is required to be written in English. Please address the selection criteria we have provided in the body of the proposal. Please provide the CVs of the team members in the attachment and include a declaration of independence signed by the intended local audit partner (with reference to any requirements regarding cooling-in for specific non-audit services in accordance with nationally applicable law).

Your proposal should also include information on whether individual audit activities in addition to the annual audit (e.g. the regulatory reviews) are part of the annual audit or a (legally required or voluntary) non-audit service according to local law. Finally, your proposal should include information on non-audit services prohibited in Czech republic. In particular, please indicate the extent to which tax advisory services and valuation services are permitted and which non-audit services, if any, are otherwise prohibited.

Please send the proposal for Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group electronically to Mr. Jiří Zdílna, ČPP Senior Procurement Officer, email: jzdilna@koop.cz and audit.tender@vig.com no later than 15 October. Furthermore, send two printed copies also to Mr. Jiří Zdílna, ČPP Senior Procurement Officer, email: jzdilna@koop.cz.

3.5 Selection Criteria for the Written Proposal

With regard to the presentations on our selection criteria, we ask you to use our selection criteria as shown in Appendix as a guide in your proposal.

In addition, the proposal should address whether your audit firm has already been subject to an inspection by the competent auditor oversight authority and, if so, with what results. For this purpose, please submit the audit report in English to the extent legally possible.

3.5 Fee

When determining the fee, we ask you to consider the following criteria:

- Presentation of a fee proposal for the individual services mentioned in point 1 including all expenses and disbursements (e.g. travel costs and other costs intended to be charged) excluding VAT. Please indicate the VAT rate separately. In addition to the audit procedures, the necessary services also include correspondence with the group auditor and the fulfillment of the reports required in accordance with the group instructions.
- The fee shall be prepared on an annual basis for the years 2023 to 2026. In addition, it must be stated how a possible extension of the mandates for up to a further three years is to be estimated, based on the prices offered.
- The offer for the fee must be binding. If you have made certain assumptions in this regard, please present and explain them clearly.
- Please provide an overview of the fee and the scope of audit services in EUR including a quantity structure with a list of working hours for the respective unit.
- Describe your approach and the fee for possible additional work outside the proposed audit scope; we request that you indicate the hourly/daily rates for non-audit services in all countries by staff group.
- The proposal must also include the option of a voluntary review of the group reporting packages of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group over the first six months. The resulting savings for the audit of the respective annual financial statements shall be stated accordingly in the offer.

3.6 Oral Presentation of the Proposal

Based on our assessment of the proposals and our impressions of the applicants during the preliminary correspondence, we will decide which providers we will invite to a presentation of the proposal. It will be announced whether this can take place in a face-to-face format or in a digital format.

Please limit your presentation to a maximum of one hour and a maximum of 5 participants. From our side the members of the selection committee will attend the presentation. We will inform you of the exact group of participants within the invitation to the presentation of the proposal.

4. Costs of the Tender

Each participating audit firm bears the costs associated with the participation in the tendering process itself.

5. Disclaimer

This document is for informational purposes only. No binding effect on the part of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group towards any contacted auditing firm, another undertaking of the VIG Group or a third party shall arise from this letter.

If you have any questions regarding this call for applications, please do not hesitate to contact the above-mentioned central contact person.

We are looking forward to your participation.

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

Contact:

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
Pobřežní 665/23
182 00 Praha 8

Mr. Jiří Zdílna,

Česká podnikatelská Senior Procurement Officer, email: jzdilna@koop.cz

and

VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Finance and Accounting
E-Mail: audit.tender@vig.com

Appendix: Selection Criteria for the Assessment of Audit Quality

We will apply the following criteria in selecting the proposal for our auditor:

Selection criterion	Subcriterion
Qualifications of the senior members of the audit team (including significant subsidiaries)	• Education and qualifications (special qualifications, publication activity, participation in committees etc.) • Experience with public interest entities (PIEs) and groups of PIEs • Specific expertise (e.g.: insurance-specific knowledge, esp. actuarial knowledge, experience with IFRS, esp. IFRS 9 and IFRS 17, IT audits, sustainability) • Industry experience or practical experience in comparable audits • Involvement of (external) specialists (e.g.: actuaries, regulatory, IT, tax, valuation specialists). • Support from a specialist policy department (within the audit firm and/or in the network)
Time availability of the senior members of the audit team	• Single point of contact during the audit period until the audit opinion is issued • Time and personnel planning of the audit in the form of a "quantity structure" for preliminary and annual audits • (Percentage) allocation of the total time budget to qualification levels (senior manager, junior manager etc.) of audit team members and (external) specialists (e.g.: Actuaries, regulatory, IT, tax, valuation specialists). • Preview continuity of the audit team and approach to changes
Audit approach	• Procedure for identification of significant audit areas • Audit approach and methods for these audit areas • Materiality considerations (including those relating to regulatory audits) • Consideration of the company's internal control system • Use of IT tools • Cooperation with internal audit
Communication and service concept	• Procedure for communication between auditor and audit committee • Procedure for communication between auditor and undertaking • Communication media / methods provided (e.g. electronic communication, web-based communication platforms) • Guaranteed availability and response times for enquiries • Communication in case of potential optimisation of the financial reporting process

International presence and cooperation (auditor's network)	• Size / capability of the respective location • Role of the group auditor within the network • Assurance of quality standards within the network • Type of cooperation and decision-making in the network • A list of reference clients
Organisation and communication of the audit of the consolidated financial statements	• Procedure regarding bringing forward audit activities as far as possible within the scope of the group-wide pre-audit • Project management / ensuring timely reporting by the auditors of the subsidiaries • Decision-making on difficult accounting issues • Communication media and technologies used
Quality assurance system	• Selection, education and training of employees • Measures to ensure independence • Dealing with non-audit services (information on changes in the local legal situation) • Key internal processes and controls to ensure audit quality • IT tools for quality assurance • Information on quality audits that have taken place • Quality assurance and handling of deficiencies in audit quality (also with members of the network)
Presentation of the proposal	• Motivation and persuasiveness • Ability to present complex topics in an understandable way • Homogeneity of the examination team • Innovation and proactivity in the presentation • Quality of the discussion with undertaking's representatives and the audit committee
Fee	• For details please see point 3.5.