

**STOCK COMPANY FOR INSURANCE AND REINSURANCE
MAKEDONIJA SKOPJE – VIENNA INSURANCE GROUP**

REPORT

**On the operations of the Management Board
for the period from 01.01.2021 till 31.12.2021**

Skopje, April 2022

Table of Content

1. General Information's	Page 3
2. Management Board Function	Page 4
3. Operations of the Management Board	Page 5
4. Conclusion	Page 6

Pursuant to article 352 paragraph 1 of the Law on trade companies (Official Gazette of Republic of North Macedonia No.28/2004; 84/2005; 25/07; 87/08; 42/10; 48/10; 24/11; 166/12; 70/13; 119/13; 120/13; 187/13; 38/14; 41/14; 138/14; 88/15; 192/15; 6/16; 30/16; 61/16; 64/18, 120/18, 290/20 and 215/21), the Management Board shall submit to the Supervisory Board of the Joint Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje – Vienna Insurance Group the following:

REPORT

**On the operations of the Management Board
for the period from 01.01.2021 till 31.12.2021**

1. GENERAL INFORMATION

The Management Board of the Joint Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje – Vienna Insurance Group (hereinafter: The Company) during the period from 01.01.2021 to 31.12.2021 has undertaken all necessary actions and activities to accomplish the business assignments of the Company in effective and efficient manner in terms of management and achievement of the positive underwriting results for non-life insurance businesses and reinsurance.

In focus in the respective period was management of the Company in extraordinary circumstances caused by the corona virus pandemic.

The Management Board of the Company during the reporting period held 70 meetings (from session 334th to session 404th), whereat decisions were discussed on and approved in terms of the regular operating activities of the Company, and for accomplishing the obligations in accordance with the provisions from the local Law on Trade Companies and the local Law on Insurance Supervision.

Pursuant to the provisions set out by the Trade Companies Law and the Company Statute and following the decision adopted by the Supervisory Board, the Management Board comprises 3 (three) members. The members of the Management Board are:

1. **Mr. Bosko Andov**, President
2. **Mr. Risto Sekulovski**, member
3. **Mrs. Vesna Gjorceva**, member

2. MANAGEMENT BOARD FUNCTION

Pursuant to provisions of the Trade Companies Law as well as the authorities granted to members of the Management board by the Statute of the Company (No.02-3438/8-1 as of 10.05.2021) and the Management Board Bylaws wherewith they reach the objectives in relation to management, the Management Board carried out the activities during the reporting period in terms of:

- Management of the Company;
- Issuance of business acts within established business policy;
- Risk control and management;
- Compliance control and management,
- Execute financial plans and programmes of the Company;
- Communication with authorities, courts and other legal entities, associates;

The Management Board regularly monitored the liquidity and solvency margin of the Company, the volume of statutory reserves determined by the local Law on Insurance Supervision (Official Gazette of Republic of North Macedonia. 27/2002, 98/2002, 79/2007, 88/2008, 67/2010, 44/2011, 112/2011, 188/2013, 30/2014, 43/2014, 112/2014, 153/2015, 192/2015, 23/2016, 83/2018, 198/2018, 101/19 and 31/2020) as the most important elements of the successful operation of the Company.

Within its authorities governed by the Trade Companies Law and Law on Insurance Supervision and bylaws, the Company Statute and the Management Board Bylaws, the Management Board took many activities and actions to organise and manage the operation of the Company.

All decisions made by the Management Board have appropriate legal, economic and corporate governance background and justification. The minutes were issued for any meeting and signed by all members of the Management Board.

Any decisions presented therein together with the supporting documentation thereon may be accessed upon request at Head Office of the Company located at the Str. 11 Oktomvri 25, Skopje.

3. OPERATIONS OF MANAGEMENT BOARD

In the reporting period the Management Board of the Companyy adopted appropriate resolutions and undertake necessary management actions regarding the following important issues:

- Communication with local insurance regulator,
- Delivering all necessary documents and information's to the insurance regulator.
- Cooperation with the local insurance regulator while performance of onsite and offsite supervisions.
- Implementing new system for data protection in accordance with the local Law on personal data protection and EU GDPR.
- Appointment of Data Protection Officer.
- Adoption of Data Protection Activity Report.
- Approval and implementation of different Insurance Terms and Conditions,
- Investments in bonds issued by the local government,
- Implementing different VIG GROUP Policies and Procedures.
- Performing 2020 Inventory Process.
- Execution of 2021 CAPEX.
- Implementation of 2021 IT Risks Minimization Plan.
- Adoption of 2020 Management Board Operation Report.
- Adoption of 2020 Company Financial Statement.
- Adoption of Code of corporate governance.
- Adoption of 2020 Report on the Operation of the Internal Audit.

- Adoption of Company Operation Report Q4 2020 with GWP data for M2 2021.
- Adoption of Quarterly Company Operation Reports delivered to the SB.
- Adoption of 2020 Company Operation Report in accordance with the provisions of the local Law on trade companies.
- Adoption of Resolution for 2020 profit distribution.
- Adoption of 2020 Actuarial Statement and Actuarial Report.
- Adoption of Draft Statutory Resolution.
- Amending Company short name.
- Adoption of 2021 Plan of trainings for employees.
- Adoption of Resolution for convocation of 2020 Annual Shareholders Meeting.
- Adoption of Quarterly Reports and 2020 Annual Report on Received Complaints.
- Implementing 2020 Risk Management Processes in accordance with VIG Enterprise Risk Management Policies and Procedures.
- Adoption of 2020 Transfer Pricing Report.
- Implementing VIG Group Policy Risk Strategy.
- Cooperation and communication with VIG Internal Audit in the process of performing audits by VIG Internal Audit.
- Adoption of Program for evaluation of the quality of the work of the internal audit.
- Adoption of Methodology of Management of IT projects.
- Adoption of 2021 Reinsurance Agreements.
- Adoption of 2021 IT Risk Management Plan.
- Adoption of Guideline for election of adequate reinsurance.
- Implementation of redundancy process.
- Taking nursery actions for collaboration with the local insurance regulator for fulfilling responsibilities noted in official documents for performed supervision,
- approval of different reinsurance agreements that are delivered to the Supervisory Board of the Company for final approval,
- activities for implementing and maintenance of ISO 27001 Certificate,
- Adoption of 2022 Company Plan of Operations,
- Adoption of 2022 Company Reinsurance Program,
- Adoption of 2022 Company Reinsurance Agreements,

- Adoption of 2022 Company Risk Management Plan,
- Adoption of 2022 Internal Audit Annual Program,
- Adoption of 2022 Company Investment and Risk Strategy
- Adoption of 2021 Internal Audit Report,
- Adoption of different procedures and policy for the operations of the Company Internal Audit Department,
- Implementing 2021 Inventory Process,
- Implementing VIG Group Policies and Procedures,

The Management Board approved all decisions issued in the reporting period by following the transparent procedure based on professional and unbiased approach for the purpose that all requirements are met in accordance with the positive statutory regulations and upon prior opinion issued by the professional experts of the Company.

4. CONCLUSION

The work of the members of the Management Board as reported hereto was considered collectively. It is important to note that every member of the Management Board participated in and voted for the approval of any resolution reached at any regular meeting of the Management Board.

The operating activities of the Management Board fall within the already determined legal framework for its responsibilities and obligations and comply with the fundamental acts determining the business policy of the Company.

All members provided significant and appropriate contribution to the Board function.

All questions regarding the approved resolutions and undertaken activities by the Management Board can be addressed directly to the members of the Board. The members of the Management Board can provide detail explanation for every approved resolution and for every undertaken activity.

This Report is approved on the 416th Management Board meeting held on 10.03.2022.

MANAGEMENT BOARD

President of the Management Board

Bosko Andov

Members of the Management Board

Risto Sekulovski

Vesna Gjorceva