

# **Articles of Association**

**WIENER STÄDTISCHE Versicherung AG**  
**Vienna Insurance Group**

**2008**

TRANSLATION FROM GERMAN ORIGINAL  
IN CASE OF DOUBT THE GERMAN VERSION PREVAILS

## I. General Provisions

### Article 1 Corporate Name, Registered Office

1. The corporate name of the Company is WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group.
2. The Company's registered office shall be in Vienna, Austria.

### Article 2 Purpose and Corporate Objects of the Company, Operating Area

1. The Company shall continue the insurance business of Wiener Städtische Wechselseitige Versicherungsanstalt, which has been contributed to the business of the Company in accordance with the provisions of sec. 61a of the "*Versicherungsaufsichtsgesetz*" (Austrian Insurance Supervision Act) by way of universal succession. Generally, entering into an insurance contract with the Company will result in membership in Wiener Städtische Wechselseitige Versicherungsanstalt - Vermögensverwaltung, but the Company may also enter into insurance contracts which do not establish a membership.

2. The Company shall, directly and indirectly, carry on the life insurance business, including supplemental insurance, the health insurance business, the casualty insurance business, as well as the property insurance business (property damage insurance and pecuniary loss insurance) in those branches for which it has the approval of the "*Versicherungsaufsichtsbehörde*" (Insurance Supervision Authority).

3. The further corporate objects of the Company shall be:

- a) to participate in other enterprises
- b) to pursue the activity of insurance mediation;
- c) to pursue the activity of consulting in matters relating to insurance;
- d) to broker mortgage loans and personal loans as well as to broker the acquisition and disposal of securities to the extent that such activities relate to the insurance business;
- e) to broker home saving contracts;
- f) to perform services in automatic data processing and information technology;
- g) to set up and provide organisational facilities for enterprises in which the Company holds shares or interests or with which it has entered into cooperation agreements;
- h) to perform administration tasks for enterprises in which the Company holds shares or interests or with which it has entered into cooperation agreements;
- i) to operate private hospitals in the form of company outpatient clinics to provide medical services for the employees of the Company.

4. The Company may do business in Austria and abroad.

#### Article 3 Announcements

Announcements of the Company shall be published in the Official Gazette "*Amtsblatt zur Wiener Zeitung*".

## II. Share Capital and Shares

#### Article 4 Share Capital, Share Certificates, Calling-in of Share Capital

1. The share capital of the Company amounts to EUR 109,009,251.26. It is divided into 105,000,000 voting no-par value bearer shares that each represents an equal portion of the share capital.

2. The Managing Board is authorized to increase, by April 15, 2013, at the latest, the share capital of the Company – also in several tranches – by a nominal value of EUR 54,504,625.63 by issuing 52,500,000 no-par value shares in registered or in bearer form against contributions in cash or in kind. The Managing Board, with the consent of the Supervisory Board, shall decide on the contents of the rights granted with each share, on the exclusion of subscription rights and on all other conditions of the issuance of shares. In that connection, non-voting preference shares may be issued which grant the same rights as the previously issued preference shares. The issue price of ordinary shares and of preference shares may differ.

3. The share capital has been increased, on a conditional basis, in accordance with sec. 159 para. 2 subpara. 1 of the "*Aktiengesetz*" (Austrian Stock Corporation Act) by up to EUR 31,145,500.36, by issuing of up to 30,000,000 voting no-par value bearer shares. The conditional capital increase shall be carried out only to the extent that owners of convertible bonds issued on the basis of the resolution of the General Meeting of April 16, 2008 exercise their subscription right or conversion option. The issue amount and the conversion ratio shall be determined in a recognized pricing procedure, using recognized financial mathematical methods and making reference to the price of the ordinary shares of WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group (basis of calculation of the issue amount); the issue amount must not be lower than the *pro rata* portion of the share capital. The Managing Board is authorized to determine, with the consent of the Supervisory Board, the further details of the performance of the conditional capital increase, such as the entitlement to dividend payments for the new shares to be issued under the conditional capital increase.

4. In the event of any capital increase and of resolutions on the creation of additional authorized capital, the Company may provide for the issuance of new preference shares to the extent permitted by law without this requiring the consent of the owners of preference shares.

5. One share certificate may be issued for several shares. The shareholders are not entitled to the issuance of individual share certificates.

6. The form and contents of the share certificates as well as of the dividend and renewal coupons shall be determined by the Managing Board. The same shall apply to interim certificates.

7. With the consent of the Supervisory Board, the Managing Board may call in from the shareholders any portions of the share capital that have not yet been paid up. Such call-in shall be published in the Official Gazette "*Amtsblatt zur Wiener Zeitung*". The payment period shall be six weeks as from the date of the publication.

8. For the purpose of equal treatment of all shareholders, the possibility set forth in sec. 26 para. 1 of the "*Übernahmegesetz*" (Austrian Act on Takeovers) of making a deduction when determining the price for the compulsory offer shall be excluded.

#### Article 5 Bearer Shares

1. Bearer shares may not be issued until all contributions on such shares have been fully paid up. However, the Company may issue a registered interim certificate to the shareholder; the amount of the portion already contributed shall be mentioned on such certificate.

2. If, in the event of an increase in capital, the resolution relating to that increase does not specify whether the shares are to be issued in bearer or in registered form, they shall be made out to bearer.

#### Article 6 Registered Shares

1. If shares are issued in registered form, any transfer of the registered shares to another owner shall be subject to the consent of the Company. The Managing Board shall grant such consent following the prior approval by the Supervisory Board.

2. The transfer shall be entered into the share ledger of the Company.

### III. Constitution and Management

#### Article 7 Corporate Bodies

The corporate bodies of the Company shall be

1. the Managing Board
2. the Supervisory Board
3. the General Meeting

#### 1. The Managing Board

##### Article 8 Duties of the Managing Board, Number of Members, Rights of the Chairman

1. The Managing Board shall, under its own responsibility, manage the Company in accordance with the statutory provisions, the Articles of Association and its by-laws to be approved by the Supervisory Board in such way as the benefit of the Company requires, taking into consideration the interests of the shareholders and the employees.

2. The Managing Board shall consist of four, five or six members. The appointment of deputy members of the Managing Board shall be permitted. If a member of the Managing Board has been appointed chairman of the Managing Board, such member shall have the casting vote in case of a tie.

#### Article 9 Representation, Signing Authority

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1. The Managing Board shall represent the Company both in and out of court.

2. Two members of the Managing Board jointly or one member of the Managing Board together with a "*Prokurist*" (individual with special powers of attorney vested in him/her by statutory provisions) are authorized to issue declarations of intent and sign for the Company. Subject to the statutory conditions and limitations, two "*Prokuristen*" each are also authorized to jointly issue declarations of intent and sign for the Company. Any granting of single representation authority for the entire business shall be excluded.

## 2. The Supervisory Board

#### Article 10 Duties, Number of Members, Term of Office

1. The Supervisory Board shall supervise the management of the Company.

2. The Supervisory Board shall consist of not fewer than three members elected by the General Meeting.

3. The term of office shall commence upon the close of the General Meeting at which the election takes place. Unless elected for a shorter period of time, the members of the Supervisory Board shall be elected for the period ending not later than at the close of the General Meeting that decides on the grant of discharge for the fourth fiscal year after their election, not taking into account the year of the election. Re-election of incumbent members of the Supervisory Board shall be permissible.

#### Article 11 Vacancies before End of Term, Election of a Substitute

1. The election as member of the Supervisory Board may be revoked by the General Meeting before the expiration of the member's term of office. Such a resolution requires a majority of at least three fourths of the votes cast.

2. Every member of the Supervisory Board may resign from office subject to a notice period of four weeks by registered letter to be directed to the chairman of the Supervisory Board.

3. If the office of a member of the Supervisory Board becomes vacant before the end of his/her term, election of a substitute - by a General Meeting to be called as soon as possible - is not required, except if the number of the members of the Supervisory Board elected by the General Meeting has fallen below three. A substitute shall be elected only for the remaining term of office of the member of the Supervisory Board whose office became vacant.

## Article 12 Chairman, By-laws, Representation *vis-à-vis* Third Parties

1. Following the General Meeting at which all members of the Supervisory Board to be elected by such General Meeting have been newly elected, the Supervisory Board shall elect a chairman and a deputy chairman from among its members at a meeting for which no separate notice of meeting is required. The election shall be repeated as soon as one of these offices becomes vacant.

2. The Supervisory Board shall issue and adopt its own by-laws. The Supervisory Board is entitled to set up committees from among its members, and it may assign certain competencies to such committees as well as to individual members.

3. The chairman or the deputy chairman shall represent the Supervisory Board *vis-à-vis* third parties.

## Article 13 Convocation, Resolutions, Representation

1. Meetings of the Supervisory Board shall be called by the chairman or the deputy chairman in writing, by telephone, by telecopy or by e-mail. Sec. 94 of the Austrian Stock Corporation Act shall not be affected thereby.

2. The chairman or the deputy chairman shall preside at the meeting. The Supervisory Board shall have a quorum if at least half of its members and additionally the chairman or the deputy chairman are present.

3. The resolutions of the Supervisory Board may be adopted in writing, by telecopy or by e-mail if none of the members of the Supervisory Board objects to this procedure. Any votes cast by way of telecopy or e-mail must be confirmed in writing.

4. Each member of the Supervisory Board may authorize another member in writing to represent him/her at a particular meeting; the member so represented shall not be counted when determining whether there is a quorum at a meeting. The right to preside at a meeting may not be delegated.

5. Resolutions of the Supervisory Board shall be adopted by a simple majority of the votes of the members present or represented. In case of a tie, the person presiding at the meeting shall have the casting vote.

6. If the votes are cast in writing or by way of telecopy or e-mail, these provisions shall apply *mutatis mutandis*.

7. Minutes shall be taken on the debates and resolutions of the Supervisory Board which shall be signed by the chairman of the meeting or by the deputy chairman.

## Article 14 Remuneration of the Supervisory Board

1. Apart from the reimbursement of the out-of-pocket expenses incurred in performing his/her tasks, each member of the Supervisory Board shall be granted a remuneration the amount of which shall be determined by the Annual General Meeting.

2. Special taxes or charges for the remuneration of members of the Supervisory Board shall be borne by the Company.

#### Article 15 Responsibilities

1. The Supervisory Board shall be responsible for the tasks assigned to it under the law and these Articles of Association.

2. The following transactions shall be subject to the consent of the Supervisory Board:

- a) the acquisition and disposal of participations (sec. 228 of the "HGB" [Austrian Commercial Code]) as well as the acquisition, disposal and shutdown of enterprises and plants;
- b) the acquisition, disposal and encumbrance of real property;
- c) setting up and closing down branch offices;
- d) investments which exceed certain investment costs in any given case or in the aggregate in any fiscal year;
- e) borrowings under any kind of loan or credit if such loans or credits exceed a certain amount in any given case or in the aggregate in any fiscal year;
- f) the granting of credits and loans, except for those that are granted in the ordinary course of business;
- g) introducing or abandoning lines of business;
- h) determining general principles of business policy;
- i) determining the principles on the granting of shares in profits or sales, and making pension commitments to executives pursuant to sec. 80 para. 1 of the Stock Corporation Act of 1965;
- j) the acceptance of a position as supervisory board member, managing board member or managing director in companies outside the group as well as the performance of paid ancillary work, by the members of the Managing Board; the appointment of "*Prokuristen*" as well as the conclusion or termination of employment contracts with "*Prokuristen*";
- k) the granting of options for shares in the Company to employees and executives of the Company or any of its affiliated companies as well as to managing board members and supervisory board members of affiliated companies;
- l) the conclusion of agreements with members of the Supervisory Board, under which such members commit themselves vis-à-vis the Company or any of its subsidiaries, outside their work on the Supervisory Board, to render a performance for a consideration that is not merely a trifle. This shall also apply to agreements with enterprises in which a member of the Supervisory Board has a substantial economic interest.

3. The Supervisory Board may set a limit for the amounts involved in the transactions set forth under para. 2 subpara. a and b. It must set a limit for the amounts involved in the transactions set forth under para. 2 subpara. d, e and f. If no limits have been set for the amounts involved, all the transactions set forth in these provisions shall require the consent of the Supervisory Board.

4. The Supervisory Board may also determine that certain further types of transactions may only be carried out with its consent.

5. The validity of the legal transactions entered into by the Company shall not be affected by the provisions of paragraphs 2, 3 and 4 of this Article.

6. The Supervisory Board may resolve on amendments of the Articles of Association insofar as only their wording is affected.

### **3. The General Meeting**

#### Article 16 Place

General Meetings shall be held in Vienna or in the capital of one of the federal provinces of Austria.

#### Article 17 Convocation

General Meetings shall be called by the Managing Board or the Supervisory Board; the notice of the meeting shall specify the agenda of the meeting. The meeting shall be called by publication of the notice in the Official Gazette "*Amtsblatt zur Wiener Zeitung*" and by registered letter to the shareholders entered in the share ledger. The meeting shall be called taking into consideration the provisions of sec. 18.

#### Article 18 Right to Attend, Deposit of Shares

1. If shares or interim certificates have been issued, only those shareholders shall have the right to attend the General Meeting who, within the period of time resulting from the following paragraph, deposit their shares (interim certificates) with an Austrian notary public, with the banks specified in the notice of the General Meeting, or with the Company, in each case during the business hours, until the close of the General Meeting.

2. The shares (interim certificates) shall be deposited early enough that at least three working days remain between the day of the deposit and the day of the General Meeting. The shareholders shall be given a period of at least 14 days from the notice of the meeting, not counting the day of publication, for handling the deposit. If the last day of this period is a Sunday or a public holiday, the next working day shall also be available for the deposit. In this context Saturdays, Good Friday and December 24 and December 31 shall not be considered working days, but holidays.

3. Shares (interim certificates) will also be considered to have been duly deposited if they are held in blocked securities deposits of other banks, for and with the consent of, the depositary until the end of the General Meeting.



4. If the shares (interim certificates) are not deposited with the Company, shareholders shall register for the General Meeting such that the deposit receipt will be submitted to the Company not later than one day after the expiration of the deposit period.

5. The right to attend the General Meeting may also be made conditional on the timely submission, in duplicate, of a list of the serial numbers of the shares (interim certificates), if this requirement is specified in the notice of the General Meeting.

6. If no shares (interim certificates) have been issued, the notice of the General Meeting shall contain the conditions for the shareholders to attend the General Meeting.

#### Article 19 Voting Right, Adoption of Resolutions

1. The voting right shall be exercised in proportion with the number of no-par value shares.

2. The voting right may be exercised by proxies only if a written power of attorney has been vested in them, which must be retained by the Company.

3. If shares have not been paid up in full, the minimum contribution made on each share is deemed to grant one vote. In case of contributions higher than the minimum contribution, the votes shall correspond to the amount of the contributions made; fractions of votes shall be taken into account only if their sum results in one or more full votes for the shareholder having a right to vote.

4. Unless otherwise stipulated by mandatory provisions of law or of these Articles of Association, the General Meeting shall adopt its resolutions by a simple majority of the votes cast; where a majority of the capital is required, the decisions shall be adopted by a simple majority of the share capital represented at the meeting.

#### Article 20 Chairmanship, Recordings

1. General Meetings shall be presided by the chairman of the Supervisory Board or by the latter's deputy. If none of them has come to, or is willing to preside at, the meeting, the notary public invited for certification purposes shall arrange for the election of a chairman.

2. The chairman shall preside at the meeting and shall determine the sequence of the items on the agenda as well as the type of voting.

3. The Company may record the General Meeting in sound and vision and publicly broadcast such recordings.

### **IV. Advisory Councils**

#### Article 21 Formation, Tasks, Composition

1. The Managing Board may appoint provincial advisory councils for the purpose of advising it in the individual federal provinces. Furthermore, the Managing Board may form advisory councils for the purpose of advising it on individual specialist areas.

2. The advisory councils shall, preferably, consist of not more than 20 persons each.
3. The Managing Board shall invite the advisory councils in accordance with the actual requirements.
4. The members of the advisory councils shall receive a remuneration for their work; such remuneration shall be determined by the Managing Board with the consent of the Supervisory Board.

## **V. Annual Financial Statements and Distribution of Profits**

### Article 22 Fiscal Year, Annual Financial Statements

1. The fiscal year of the Company shall be the calendar year.
2. When preparing the annual financial statements, the Managing Board shall form the provisions required under the law and under the principles of proper accounting. Provisions for performance-related premium refunds and/or for profit participation by insurance policy holders shall be formed taking into consideration the business performance, the business plans as well as the goals set forth in Article 2 para. 1, second sentence, of these Articles of Association; such provisions may be used exclusively for premium refunds and/or profit participation of the insurance policy holders. The utilization of such provisions to cover losses shall be permitted in exceptional cases, subject to the approval of the Insurance Supervision Authority.
3. When preparing the annual financial statements, the Managing Board may allocate all or part of the net income for the year to the reserves.
4. Within the first five months of every fiscal year, the Managing Board shall prepare the annual financial statements plus the Notes and the management report for the preceding fiscal year and, after auditing by the auditor, submit them together with its proposal for the distribution of profits to the Supervisory Board.
5. If the Supervisory Board approves the annual financial statements they will be deemed adopted, provided that the Managing Board and the Supervisory Board do not opt for adoption by the General Meeting.
6. If the Managing Board and the Supervisory Board opt for adoption by the General Meeting, or if the Supervisory Board fails to approve the annual financial statements, the Managing Board shall immediately call a General Meeting for the purpose of adopting the annual financial statements.

### Article 23 Annual General Meeting

1. The Annual General Meeting shall be held within six months as from the end of the fiscal year.

2. The Annual General Meeting shall resolve on the distribution of the net profit resulting from the annual financial statements, on the grant of discharge to the members of the Managing Board and Supervisory Board and, in the cases provided by law, on the adoption of the annual financial statements; furthermore, the Annual General Meeting shall resolve on the election of members of the Supervisory Board as well as on other matters assigned to the General Meeting for resolution under the law and on other motions which have been properly submitted.

#### Article 24 Net Profit

1. Unless the General Meeting resolves otherwise, the net profit shall be distributed among the shareholders.

2. If non-voting preference shares have been issued, the net profit shall be distributed as follows:

- a) first, any arrears in dividends on preference shares shall be settled;
- b) then, the 15% dividend on preference shares shall be paid to the holders of preference shares relative to their share in the share capital;
- c) the net profits remaining thereafter shall, for the first three full fiscal years following the issuance of preference shares, be distributed to all shareholders (holders of ordinary shares and holders of preference shares) such that, taking into account the dividend on preference shares, holders of preference shares will receive a dividend which is at least 5% higher than the dividend received by holders of ordinary shares, relative to their share in the share capital; the profits of the fourth full fiscal year and of all subsequent fiscal years shall be distributed such that the holders of ordinary shares shall receive a dividend up to the amount of the dividend on preference shares, and the net profits remaining for distribution thereafter shall be equally distributed among all shares, provided that the General Meeting does not resolve on a different appropriation, including without limitation the payment of a surplus dividend to holders of preference shares in individual cases.

3. If shareholders' contributions are made in the course of the fiscal year, such contributions shall be considered in proportion to the time elapsed since the contribution. If new shares are issued, different profit participation rights may be determined.

4. Shareholders' profit shares which are not withdrawn within three years as from the due date shall be forfeited in favor of the free reserves of the Company.

Last amended at the 17th Annual General Meeting on April 16, 2008 and approved by the Austrian Financial Market Authority (FMA)/Department Insurance and Pension Supervision by its Decree dated April 17, 2008, File No.: FMA-VU173.340/0001-VPR/2008.