

VP Bank Group strives to win the trust of all stakeholder groups. It thus acts with integrity and in a transparent manner at all times and grants insight into its decision-making and control processes.

Corporate governance stands for responsible corporate management and control. The "Swiss Code of Best Practice for Corporate Governance" defines corporate governance as the entirety of principles focussed on the interests of shareholders which aim for transparency and a healthy balance of management and control whilst maintaining decision-making capability as well as efficiency at the highest level of a company.

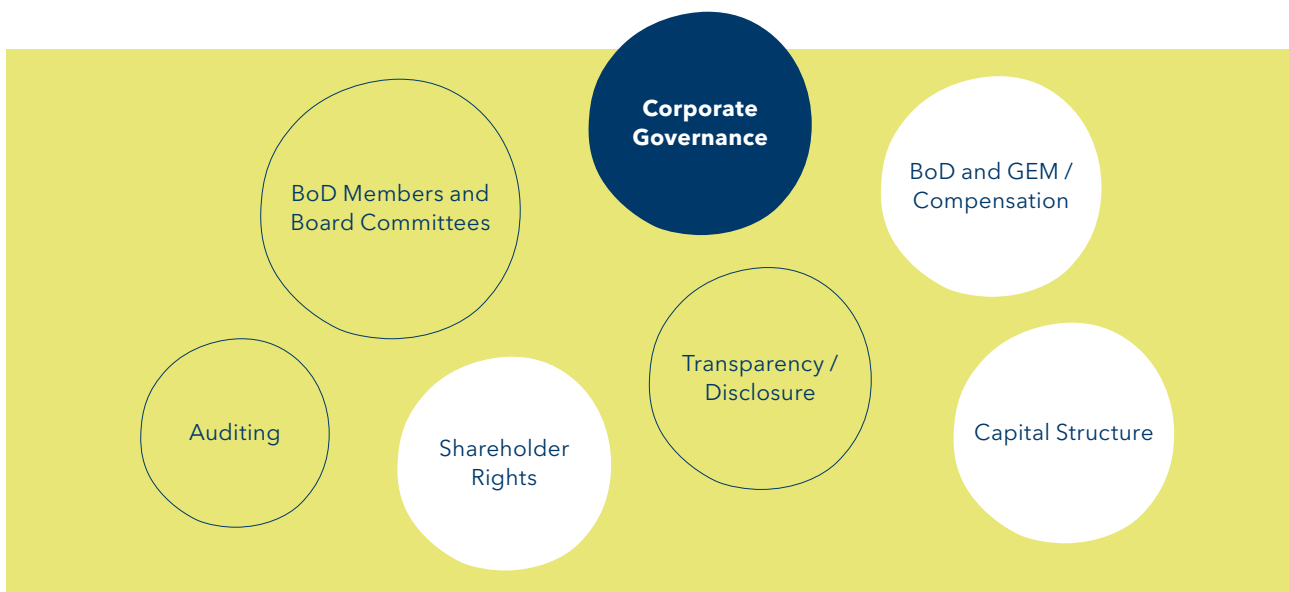
Good corporate governance ensures transparent management aimed at sustainable achievement. It is designed to serve not only the company but also external stakeholder groups. The overall framework of corporate governance is determined to a significant degree by the legislator and shareholders; the specific manner in which it is designed is the responsibility of the Board of Directors.

VP Bank Group strives to win the trust of all stakeholder groups. It thus acts with integrity and in a fair, transparent manner at all times and grants its stakeholder groups insight into its decision-making and control processes. For years, it has thus published, of its own accord, information as to its strategic objectives as well as its relationships with stakeholders.

This report describes the basic principles underlying the corporate management of VP Bank Ltd, Vaduz,¹ as required by the revised "Directive on Information Relating to Corporate Governance" (DCG) of the Swiss stock exchange SIX Swiss Exchange Ltd dated 18 June 2021 as well as the Liechtenstein legislation.

In Switzerland, the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) has been in force as of 1 January 2014. It is applicable to Swiss joint-stock corporations whose shares are listed on a stock exchange in Switzerland or abroad, whereby VP Bank is not directly affected. In its Notification No. 2/2014 issued on 1 September 2014 concerning the revision of the "Directive on Information Relating to Corporate Governance" (DCG), the Regulatory Board stipulated that in principle all companies quoted on SIX Swiss Exchange Ltd must disclose the same information concerning corporate governance. As a consequence, the DCG contains in part special provisions for issuers which are not subject to the ERCO, but must apply these, in part, by analogy. Unless otherwise indicated, all corporate governance disclosures herein are valid as of 31 December 2021.

FUNCTIONS OF CORPORATE GOVERNANCE



¹ Hereinafter referred to as VP Bank.

1 / Group structure and shareholders

1/1 Group structure

1/1/1 Description of operating Group structure

As a joint-stock corporation, VP Bank is constituted in accordance with Liechtenstein law. It is the parent company (head office) of VP Bank Group. The organisation chart (→ page 26) shows the Group's operating structure and from page 102 onwards the detailed segment reporting is set out.

The Executive Board of the head office is designated as "Group Executive Management (GEM)". It assumes responsibility for the operational management of the head office as well as assuming the function as Group Executive Management for VP Bank Group.² The members of Executive Management are represented on the boards of directors of the subsidiary companies. As a general rule, either the Chief Executive Officer or another member of Executive Management acts as Board Chairman of the given subsidiary company.

1/1/2 Listed companies included in the reporting entity

The registered shares A of VP Bank, Vaduz, are listed on SIX Swiss Exchange Ltd; the registered shares B are not listed.

	ISIN	Year-end price CHF	Market value CHF million
Registered shares A (listed)	LI0010737216	96.60	581.0 ¹
Registered shares B (unlisted)	LI0010737596	9.70	58.2
Total (market capitalisation of registered shares A plus market value of registered shares B)			639.2

¹ Market capitalisation of listed registered shares A as of 31 December 2021.

No other listed companies are included in the reporting entity.

1/1/3 Unlisted companies included in the reporting entity

The subsidiary companies and material shareholdings included in the scope of the reporting entity are listed in the financial report (→ page 174) together with their name, registered office, share capital and percentage of share capital held.

1/2 Significant shareholders (anchor shareholders)

As of 31 December 2021, the following shareholders and shareholder groups have declared that they own more than 10 per cent of the share capital of VP Bank or exercise more than 5 per cent of the voting rights.

Shareholders	Registered shares A	Registered shares B	Votes	Percentage of votes	Percentage of share capital
"Stiftung Fürstl. Kommerzienrat Guido Feger" foundation, Vaduz ¹	1,066,426	4,530,047	5,596,473	46.6%	23.0%
"U.M.M. Hilti-Stiftung" foundation, Schaan	578,152	658,370	1,236,522	10.3%	9.7%
"Marxer Stiftung für Bank- und Unternehmenswerte" foundation, Vaduz	756,885	0	756,885	6.3%	11.4%

¹ Including the institutions controlled by the foundation.

During the period under review, no further disclosure notifications were received as foreseen by Art. 25 of the Liechtenstein Act of 23 October 2008 on the Disclosure of Information Concerning Issuers of Securities (DA) and by Art. 120 to 124 of the Swiss Financial Market Infrastructure Act (FinMIA). There exist no shareholder agreements.

1/3 Cross-shareholdings

VP Bank has entered into no cross-shareholdings with other companies involving share capital or voting rights.

2 / Capital structure

2/1 Capital

The share capital of VP Bank amounts to CHF 66,154,167 and is divided into 6,015,000 fully paid-up registered shares A with a par value of CHF 10.00 each, as well as 6,004,167 registered shares B with a par value of CHF 1.00 each (→ financial report, page 164).

	Number	Balance on 31.12.2021 Capital in CHF
Registered shares A	6,015,000	60,150,000
Registered shares B	6,004,167	6,004,167
Total	12,019,167	66,154,167

2/2 Conditional and authorised capital

VP Bank has neither authorised nor conditional capital.

2/3 Changes in capital

The total shareholders' equity of VP Bank for the past three financial years (as at the respective balance sheet date) changed as follows:

in CHF 1,000	31.12.2019	31.12.2020	31.12.2021
Share capital	66,154	66,154	66,154
Capital reserves	47,049	47,049	47,049
Statutory reserves	239,800	239,800	239,800
Other reserves	355,667	358,889	361,062
Provisions for general banking risks	63,150	63,150	63,150
Retained earnings	156,754	159,929	158,736
Total	928,574	934,970	935,951

² In principle, the term "Executive Board" is issued in this chapter.

2/4 Shares and participation certificates

The registered shares A of VP Bank are freely tradable on SIX Swiss Exchange Ltd. The registered shares B are not listed, but are widely held among the regional population. Both share categories bestow the membership rights provided for in the Liechtenstein Persons and Companies Act (PCA) and the company's Articles of Association.

Each registered share A (par value of CHF 10.00) and each registered share B (par value of CHF 1.00) grants the holder the right to one vote at the annual general meeting of VP Bank, irrespective of the par value of the share.

VP Bank has issued no participation certificates.

2/5 Dividend-right certificates

VP Bank has issued no dividend-right certificates.

2/6 Limitations on transferability and nominee registrations

The registration and transfer of registered shares is regulated in detail in Art. 7 of the Articles of Association.³ Only shareholders entered into the share register are entitled to exercise membership rights vis-à-vis the company.

The Board of Directors can refuse to enter holders of registered shares B into the register of shareholders on important grounds (Art. 7a of the Articles of Association). During the reporting year, the Board of Directors did not make use of their powers of authority in this respect.

2/7 Convertible bonds and options

VP Bank has issued neither convertible bonds nor options based on its own shares.

3 / Board of Directors

The Board of Directors bears responsibility for the medium- to long-term strategic orientation of VP Bank Group. It is responsible for the overall management, supervision and control of the company.

Liechtenstein legislation provides for a clear separation of the overall management, supervision and control duties performed by the Board of Directors and the duties performed by operational management. Accordingly,

the Board of Directors of VP Bank consists exclusively of non-executive members (i.e. members not actively involved in management).

3/1 Members of the Board of Directors

The Board of Directors of VP Bank consists of eight members. No Board member has belonged to Group Executive Management, the Executive Board of VP Bank or the Executive Board of any Group company during the past three financial years.

As a bank, VP Bank maintains business relationships with numerous domestic and foreign companies.

This is also true for the members of the Board of Directors as well as for individuals or legal entities that are closely related to the Board members.

The list (→ table below) provides information on the names, ages, functions, joining dates and remaining terms of office of the Board members.

At the Annual General Meeting of 30 April 2021, Dr Thomas R. Meier was re-elected for a term of office of three years. Following the annual general meeting, Dr Thomas R. Meier was confirmed by the Board of Directors in his position as Chairman.

Fredy Vogt did not stand for re-election and stepped down from the Board of Directors. He had been elected to the Board of Directors in 2012 and was its Chairman until April 2020. Prior to his service on the Board of Directors, Fredy Vogt had worked since 1987 in various positions at VP Bank, including 16 years on the Executive Board.

Philipp Elkuch was elected to the Board of Directors for a term of three years. Philipp Elkuch will bolster the digital expertise on the Board of Directors and maintain the connection with the home market of Liechtenstein.

3/2 Other activities and vested interests

The other activities of the members of the Board of Directors and any interests can be found in the biographies in section 3.1.

3/3 Number of authorised activities

VP Bank is not subject to the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). From that point of view, it has not issued any statutory rules concerning the number of authorised activities.

Name	Year of birth	Position	Joined Board of Directors in	Elected until AGM in	Committee memberships
Dr Thomas R. Meier	1962	Chairman	2018	2024	Strategy & Digitalisation Committee ¹ , Nomination & Compensation Committee ¹
Markus Thomas Hilti	1951	Vice Chairman	1992	2022	Nomination & Compensation Committee
Philipp Elkuch	1969	Member	2021	2024	Nomination & Compensation Committee, Strategy & Digitalisation Committee
Dr Beat Graf	1964	Member	2014	2023	Audit Committee, Risk Committee
Ursula Lang	1967	Member	2016	2022	Audit Committee, Risk Committee ¹
Dr Gabriela Maria Payer	1962	Member	2016	2022	Nomination & Compensation Committee, Strategy & Digitalisation Committee
Michael Riesen	1962	Member	2014	2023	Audit Committee ¹ , Risk Committee
Katja Rosenplänter-Marxer	1981	Member	2020	2023	Audit Committee, Risk Committee

¹ Chairperson



³The Articles of Incorporation online: vpbank.com/regulations



DR THOMAS R. MEIER /
Chairman of the Board of Directors, Chairman of the Nomination & Compensation Committee and the Strategy & Digitalisation Committee



MARKUS THOMAS HILTI /
Vice Chairman of the Board of Directors and Member of the Nomination & Compensation Committee



PHILIPP ELKUCH /
Member of the Nomination & Compensation Committee and the Strategy & Digitalisation Committee



DR IUR. BEAT GRAF /
Member of the Audit Committee and the Risk Committee

01 / DR THOMAS R. MEIER

Born 1962, Swiss

Education

2017: Programme for Board Members, Swiss Board School, IMP-HSG; 2003: Advanced Management Program, Wharton School, University of Pennsylvania (USA); 1994: PhD in Law (Dr iur.), University of Zurich; 1988: Master of Laws (lic. iur.), University of Zurich

Professional background

Since 2017: TRM Consulting AG, Herrliberg, Independent Advisor; 2005–2017: Bank Julius Baer & Co. Ltd., Zurich; 2015–2017: Head CSR, Chairman Julius Baer Foundation; 2007–2015: Member of the Executive Board, CEO Asia; 2005–2007: Member of the Private Banking Management Board, CEO of Asia, Middle East, Eastern Mediterranean & Eastern Europe; 2004–2005: Deutsche Bank Luxembourg S.A., Luxembourg, Member of Executive Management and Head of Private Wealth Management; 1988–2004: Various positions at the Credit Suisse Group

Other activities and vested interests

Member of the Board of Directors, the Audit Committee and the Risk Committee of Leonteq Ltd., Zurich; Board Member of Smiling Gecko social enterprise (NGO), Dübendorf; Owner of Cardeira, Portugal and Switzerland; Member of Global Family Wealth Strategy Advisory Committee of China Construction Bank Trust Co., Ltd, Beijing (China); Member of the Advisory Board of Hywin Holdings Ltd., Shanghai (China)

02 / MARKUS THOMAS HILTI

Born 1951, Citizen of Liechtenstein

Education

1976: lic. oec. degree, University of St. Gallen (HSG)

Professional background

Since 1990: Martin Hilti-Familientreuhänderschaft, Schaan; since 2010: Protector of the Martin Hilti-Familientreuhänderschaft; 1990–2010: Administrative Trustee of the Martin Hilti-Treuhänderschaft; 1981–1990: Hilti Western Hemisphere, Tulsa (USA); 1987–1990: Member of Executive Management, responsible for product management, procurement, development and quality assurance as well as Head of the company's factory in Tulsa (USA); 1981–1987: Various posts in the fields of finance, product management and sales; 1977–1980: Coopers & Lybrand, White Plains, New York (USA), Auditor

Other activities and vested interests

Member of the Board of Trustees of the "U.M.M. Hilti-Stiftung" foundation, Schaan (→ section 1.2); Member of the Board of Trustees of the TTSF-Top Talent Sport Foundation, Vaduz; Member of the Board of Directors and Executive Board of Golf Gams-Werdenberg AG, Gams

03 / PHILIPP ELKUCH

Born 1969, Citizen of Liechtenstein

Education

1999: Master of International Economics and Management, Bocconi University, Milan (Italy); 1994 Mechanical Engineering degree, ETH, Zurich

Professional background

Since 2019: Sulzer, Winterthur, Global Head of Digital Strategy & Transformation; 2013–2019: DXC Technology, Zurich; 2016–2019: Managing Director, Switzerland; 2013–2016: Managing Partner, Digital Consulting, Switzerland, Austria and Germany; 2000–2013: Afry, Switzerland - Finland - Italy; 2010–2013: Member of the Board of Directors of the Group companies in Austria, Czech Republic and Hungary; 2012–2013: Senior Vice President, Energy Business Group, Switzerland, UAE and UK; 2009–2012: Business Area President, Renewable Energies, Eastern Europe, Switzerland, Germany and Austria; 2004–2009: CEO AFRY Italia, Genoa (Italy); 2000–2003: Director, Energy Management Consulting, Switzerland, Germany, Finland and Spain; 1994–1999: ABB, Baden, Project Manager for power plant construction, Colombia, USA and Malaysia

Other activities and vested interests

Chairman of the Board of Directors of Liechtensteinische Kraftwerke, Schaan; Member of the Board of Initiative digital-liechtenstein.li, Vaduz; Member of the Board of Directors of Panitek Power Ltd, Zurich

04 / DR IUR. BEAT GRAF

Born 1964, Swiss

Education

2007: Master of Advanced Studies in Risk Management, University of Applied Sciences and Arts, Lucerne; 1996: Dr iur. degree, University of Fribourg; 1990: lic. iur. degree, University of Fribourg

Professional background

Since 2004: Allgemeines Treuunternehmen (ATU), Vaduz; Since 2015: Chairman of the Council of Trustees, Chairman of the Executive Board and Member of the Board of Directors of various ATU Group companies; 2012–2015: Member of Executive Management and responsible for the coordination of all ATU subsidiaries; 2007–2012: Member of Executive Management and Head of Compliance; 2004–2007: Head of Compliance; 1999–2004: LM Legal Management AG, St. Gallen, Founding Partner and Managing Director; 1991–1999: UBS Inc., St. Gallen; 1998–1999: Deputy Head of Legal Services Eastern Switzerland; 1993–1998: Assistant in the Legal department; 1991–1993: Apprenticeship as a corporate client advisor

Other activities and vested interests

Member of the Board of Trustees of the "Stiftung Fürstl. Kommerzienrat Guido Feger" foundation, Vaduz (→ section 1.2); Member of the Board of Trustees of the "Privatbank Personalstiftung" foundation, Vaduz.

05 / URSULA LANG

Born 1967, Swiss

Education

1996: Admission to the Swiss bar; 1993: lic. iur. degree, University of Zurich

Professional background

Since 2015: Self-employed attorney-at-law (specialised in Criminal Law, Commercial Criminal Law, Compliance), Owner of the Lang Law Firm, Zurich; 1998–2013: Credit Suisse, Zurich; 2011–2013: General Counsel for the region of Switzerland and the business area Private Banking & Wealth Management; 2008–2011: Head of Compliance Switzerland and, from 2009, also Co-Head of Global Compliance; 2006–2008: Global Head of Anti-Money Laundering Compliance; 2000–2006: Compliance employee at Credit Suisse Private Banking and Credit Suisse Financial Services; 1998–2000: Employee in the Legal department; 1996–1998: Stiffler & Nater Rechtsanwälte, Zurich, attorney-at-law; 1994–1996: District Court of Horgen, Zurich, legal trainee and clerk

Other activities and vested interests

Member of the Board of Directors and Chair of the Audit and Risk Committee of responsAbility Investments AG, Zurich

06 / DR GABRIELA MARIA PAYER

Born 1962, Swiss

Education

2004: Advanced HR Executive Program at the Michigan Business School, Michigan (USA); 1995: Mastering Change in Financial Services at the International Institute for Management Development (IMD), Lausanne; 1990: Dr phil. degree, University of Zurich; 1987: Degrees in Languages and Business Economics, University of Zurich (Switzerland) and Sorbonne University, Paris (France)

Professional background

Since 2012: PAYERPARTNER, St. Moritz, Creative Business Development, Management Consulting; 2012–2017: Swiss Finance Institute, Zurich, Head of Education and Member of Executive Management; 1993–2012: UBS Inc., Zurich; 2009–2012: Founder and Head of UBS Business University for all divisions; 2005–2009: Global Head of Human Resources Wealth Management & Business Banking; 1998–2004: Founder and Head of UBS e-banking and Marketing Technology; 1993–1998: Head of Marketing and Distribution Region Switzerland; 1990–1993: American Express, Zurich, London (England) and Frankfurt (Germany), Marketing and Project Manager; 1988–1989: Scheller Informatik Gruppe, Brugg, Head of Communication; 1984–1987: IBM Switzerland Ltd, Zurich, student trainee

Other activities and vested interests

Chairwoman of the Board of Directors, "SGO Stiftung Gesundheitsversorgung Oberengadin", Samedan; Vice Chairwoman of the Board of Directors, Chairwoman of the Nomination and Compensation Committee and Member

of the Audit and Risk Committee, Sygnum Bank Ltd, Zurich, Switzerland and Singapore; Member of the Board of Directors, Chairwoman of the Nomination and Compensation Committee and Member of the Investment and Risk Committee, Helvetia Group AG, St. Gallen; Member of the Advisory Board, "CAS in General Management für Verwaltungsräte", University of Berne; Member of the Advisory Board, Center for Human Resource Management, University of Lucerne; Member of the Advisory Board of the University of Lucerne

07 / MICHAEL RIESEN

Born 1962, Swiss

Education

1992: Swiss Certified Accountant; 1988: Swiss Certified Trustee with Federal Diploma; 1985: Swiss Certified Business Economist HKG

Professional background

Since 2014: Independent management consultant; 1987–2013: Ernst & Young Ltd, Zurich, Review and advisory services for complex national and international financial institutions (since 1995: as Lead Auditor of banks and collective investments licensed by FINMA, since 1998: as Partner of Ernst & Young); 2010–2012: Sponsoring Partner of Ernst & Young EMEIA Sub-Area Financial Services' global Assessment of Service Quality (ASQ) programme; 2008–2012: Managing Partner Quality & Risk Management as well as Member of the Management Committee of Ernst & Young EMEIA Sub-Area Financial Services; 2008–2010: Managing Partner Financial Services and a Member of Executive Management; 2006–2008: Country Managing Partner Assurance Financial Services as well as Member of Executive Management; 2005–2006: Head Assurance Financial Services as well as Member of Executive Management; 2004: Head of an Assurance Financial Services unit; 2000–2003: Head Professional Practice Banking Audit; 1985–1987: Schweizerische Bundesbahnen (Swiss Federal Railways), Organisation & Audit department, Berne, Internal Auditor; 1981–1984: Municipality of Steffisburg, municipal clerk; 1980–1981: Energy and Transport Operations, City of Thun, Member of the Natural Gas Conversion project team

Other activities and vested interests

None

08 / KATJA ROSENPLÄNTER-MARXER

Born 1981, German

Education

2010: Specialist course in commercial and company law at Deutsche Anwalt Akademie (German Lawyers' Academy); 2010: Admission to the German bar; 2009: Second state law exam, Assessor iuris (Germany); 2007–2009: Clerkship, Regional Court of Constance (Germany); 2006–2007: Master of Science Educational Leadership, Northern Arizona University, Flagstaff (USA); 2005–2006: Graduate Certificate in Public Management, Northern Arizona University, Flagstaff (USA); 2005: First state law exam, Magister iuris (Germany); 2000–2005: Law Degree, University of Constance (Germany)

Professional background

2012-2017: Law office of Marxer & Partner Rechtsanwälte, Vaduz, Legal Associate; 2010-2012: Law office of Wagner & Joos, Konstanz (Germany), attorney; 2009: Law office of Gnann, Thauer & Kollegen, Freiburg (Germany), articled clerk; 2008-2009: City of Konstanz (Germany), articled clerk; 2008: Law office of Baiker & Kollegen, Konstanz (Germany), articled clerk; 2008: Public prosecutor's office, Konstanz (Germany), articled clerk; 2007-2008: District Court of Villingen-Schwenningen (Germany), articled clerk; 2007: HSBC Trinkaus & Burkhardt AG, Düsseldorf (Germany), trainee

Other activities and vested interests

Member of the Board of Trustees of the "Lebenswertes Liechtenstein" foundation, Vaduz



MICHAEL RIESEN /
Chairman of the Audit Committee and
Member of the Risk Committee



URSULA LANG /
Chairwoman of the Risk Committee and
Member of the Audit Committee



KATJA ROSENPLÄNTER-MARXER /
Member of the Audit Committee and the Risk Committee



DR GABRIELA MARIA PAYER /
Member of the Nomination & Compensation Committee
and the Strategy & Digitalisation Committee

3/4 Election and term of office

Details concerning the election and terms of office of the current members of the Board of Directors can be found in the analysis shown in section 3.1. Pursuant to Art. 16 of the Articles of Association, the Board of Directors must comprise at least five members who are elected for a term of three years. The members of the Board of Directors are elected individually (re-election is permitted). The Board of Directors elects the Chairman and Vice Chairman from amongst its members for a term of three years (re-election is permitted).

3/5 Internal organisation

The internal organisation and modus operandi of the Board of Directors are set out in the Articles of Association (Art. 17 to 19) and in the Organisation and Business Regulations (OBR chapters 2 to 4)⁴.

In collaboration with the Executive Board, the Board of Directors annually reviews the Group's strategy in keeping with the provisions of the Articles of Association and the OBR and establishes the medium- and long-term objectives as well as the management guidelines of VP Bank Group. The Board of Directors decides on the annual budget proposed by the Executive Board for the head office and Group, on strategically important projects, on consolidated and individual company financial statements, as well as on important personnel-related issues.

3/5/1 Division of tasks within the Board of Directors

The Chairman – or, in his absence, the Vice Chairman – conducts, in the name of the Board of Directors, the direct supervision and control of the Executive Board and Group Executive Management. To be able to fulfil its duties in an optimal manner, the Board of Directors is supported by four committees: the Nomination & Compensation Committee, the Audit Committee, the Risk Committee and the Strategy & Digitalisation Committee.

3/5/2 Composition, tasks and areas of responsibility of the Board committees

The tasks, powers of authority, rights and obligations of the various committees are laid down in the Organisation and Business Regulations. In addition, the functions of the Audit Committee, the Strategy & Digitalisation Committee and the Risk Committee are governed by way of separate business regulations.

Minutes are kept on the meetings and the matters dealt with by the committees at their respective meetings and submitted to the Board of Directors. In addition, the committee chairmen inform the Board of Directors at the following Board meeting about all important matters as part of a standard agenda item.

Nomination & Compensation Committee

The Nomination & Compensation Committee comprises the following members: Dr Thomas R. Meier (Chairman), Markus Thomas Hilti, Philipp Elkuch and Dr Gabriela Maria Payer. Pursuant to section 3.2 OBR, the Committee is primarily responsible for the following tasks:

- assisting the Chairman of the Board of Directors in the fulfilment of his management and coordination duties, as well as the entire Board of Directors on matters of corporate governance, organisation and monitoring of business developments;
- defining the criteria for the election of Board members; performing the evaluation and submitting the related motions to the Board of Directors;
- submitting motions to the Board of Directors on the composition of the Committees of the Board of Directors;
- preparing and submitting motions to the Board of Directors concerning the appointment of the Chief Executive Officer and – in collaboration with the Chief Executive Officer – of the remaining members of Executive Management;
- submitting proposals to the Board as to the compensation to be paid to the members of Executive Management;
- dealing with fundamental issues concerning personnel policy (e.g. salary and equity participation systems, management development, succession planning, staff welfare benefits) for the attention of the Board of Directors;
- submitting motions to the Board with regard to the compensation paid to the Chairman and other members of the Board of Directors.

Audit Committee

The Audit Committee comprises Michael Riesen (Chairman), Dr Beat Graf, Ursula Lang and Katja Rosenplänter-Marxer. The Audit Committee assists the Board of Directors in fulfilling the duties assigned to it under the Banking Act with regard to the overall management, supervision and control of the head office and of VP Bank Group. Pursuant to section 3.3 OBR, the Audit Committee is responsible in particular for the following tasks:

- receiving and dealing with the reports of Group Internal Audit and the Banking-Law Auditors as well as assessing the appropriateness of the procedures deployed to remedy the pending matters arising from the audit;
- critically assessing financial reporting as well as discussion thereof with the CFO, the Head of Group Internal Audit and representatives of the Banking-Law Auditors;
- deciding whether the individual company and consolidated financial statements can be recommended to the Board of Directors for submission to the annual general meeting of shareholders;
- assessing the implementation of the Bank's tax strategy.
- assessing the functional capability of the internal control system;
- assessing the measures taken designed to ensure compliance with and observance of legal (e.g. compliance with capital adequacy, liquidity and risk diversification provisions) and internal provisions (compliance);
- taking note of significant interactions with the respective supervisory authorities and assessing the measures taken to implement the conditions imposed as well as assessing the appropriateness of the procedures implemented to ensure compliance with regulatory conditions imposed and of remedial actions taken;
- assessing the quality of the internal and external auditors as well as the collaboration between the two sets of auditors;
- defining the multiyear audit plan of Group Internal Audit as well as informing themselves as to and discussing the audit planning of the Group Auditor and Banking-Law Auditors;



⁴ The Organisation and Business Regulations online: vpbank.com/regulations

- assessing the performance, fees paid to and independence of the external auditors, especially in terms of the compatibility of their auditing activities with any advisory mandates they may have;
- advising the Board of Directors on the appointment and removal of external auditors;
- submitting motions to the Board of Directors for the appointment and removal of the Head of Group Internal Audit;
- advising the Board of Directors on the appointment and removal of the Chief Financial Officer.

Risk Committee

Ursula Lang (Chairwoman), Dr Beat Graf, Michael Riesen and Katja Rosenplänter-Marxer belong to the Risk Committee. The Risk Committee assists the Board of Directors in fulfilling the tasks assigned to it under the Banking Act regarding the overall management, supervision and control of the head office and of VP Bank Group. Pursuant to section 3.4 OBR, the Risk Committee is responsible in particular for the following tasks:

- receiving and dealing with the reports of the CRO as well as assessing the appropriateness of procedures deployed to manage and monitor risks;
- critically assessing financial, business, reputational and operational risks as well as discussing these with the Chief Risk Officer;
- assessing the functional capability of risk management and monitoring as well as of the internal control system;
- assessing the functional capability of the measures taken designed to ensure compliance with and observance of legal (e.g. compliance with capital adequacy, liquidity and risk diversification provisions) and internal provisions (compliance);
- receiving and dealing with the reports of Legal, Compliance & Tax;
- assessing the quality (effectiveness) of risk governance as well as the cooperation between Risk Management, Risk Monitoring, Group Executive Management, the Risk Committee and the Board of Directors;
- reviewing whether the pricing of the offered liabilities and assets takes adequate account of the Bank's business model and risk strategy and, should this not be the case, presenting a plan with corrective measures;
- evaluating whether the incentives offered as part of the system of compensation take into account the risk, equity, liquidity as well as the probability and timing of revenues;
- advising the Board of Directors on the appointment or removal of the Chief Risk Officer.

Strategy & Digitalisation Committee

Dr Thomas R. Meier (Chairman), Dr Gabriela Maria Payer and Philipp Elkuch belong to the Strategy & Digitalisation Committee. The Strategy & Digitalisation Committee assists and advises the Board of Directors on strategic issues and projects. Pursuant to section 3.5 OBR, the following tasks, in particular, are incumbent on it:

- preparing strategic issues for the attention of the Board of Directors;
- handling strategic issues on an in-depth basis (e.g. digitalisation in banking);
- ensuring on-going steering and management processes in the area of strategy;

- reviewing strategy periodically and on an ad hoc basis (strategy review);
- reviewing the implementation of strategic measures (strategy controlling);
- ensuring that strategy is well embedded within the Bank;
- examining the strategic fit of mergers, acquisitions, cooperation partnerships, business cases, etc.;
- raising the outward and market orientation as well as the innovative capacity of the Bank.

3/5/3 Modus operandi of the Board of Directors and its committees

At the invitation of the Chairman, the Board of Directors normally meets 8 to 10 times per year as well as for one strategy meeting in camera and an innovation day. In principle, the meetings consist of three parts:

- a Board-internal part;
- a consultative part during which members of the Executive Board and Group Executive Management are also in attendance to present their proposals and exchange information;
- a decision-taking part during which the Board of Directors arrives at its decisions. In order to be informed at first hand, the CEO is also present during the decision-taking part of Board meetings.

Specific topics addressed by the Board of Directors and its committees can require, if needed, that further individuals are called upon to attend (executives of VP Bank Group, representatives of the Banking-Law Auditors as well as internal or external specialists and advisors). During 2021, the Board of Directors held eight ordinary meetings and four extraordinary meetings. In addition, together with the Executive Board, the Board of Directors held two all-day workshops concerning strategy and innovation.

The Nomination & Compensation Committee usually meets 6 to 10 times per annum. In case of need, the CEO participates in the meetings of the Nomination & Compensation Committee in an advisory capacity. During 2021, the Nomination & Compensation Committee met on a total of six occasions.

The Audit Committee usually meets on five to eight occasions per annum, with the meeting dates being set to accommodate the needs arising from specific tasks (closing of accounts, financial reporting, Auditors' reports, etc.). The CFO, the Chief Risk Officer and the Head of Group Internal Audit attend the meetings. For the purpose of addressing audit-specific topics, representatives of the external auditing firm (as a general rule, the Auditor-in-Charge) attend the meetings. Last year, the Audit Committee convened for eight ordinary meetings and one extraordinary meeting. At one joint meeting with the Risk Committee, an exchange of information took place with the Executive Board regarding the quality of the internal control system and other matters.

The Risk Committee usually meets on five to eight occasions per annum. The Chief Risk Officer and the Head of Group Internal Audit attend the meetings. Last year, the Risk Committee convened for seven ordinary meetings and one extraordinary meeting. At one joint meeting with the Audit Committee, an exchange of information took place with the Executive Board regarding the quality of the internal control system and other matters.

Name	Board of Directors	Nomination & Compensation Committee	Audit Committee	Risk Committee	Strategy & Digitalisation Committee
Number of meetings	14	6	9	8	8
Dr Thomas R. Meier	14	6			8
Markus Thomas Hilti	14	6			
Philipp Elkuch ¹	8	4			5
Dr Beat Graf	14		9	8	
Ursula Lang	14		9	8	
Dr Gabriela Maria Peyer	14	6			8
Michael Riesen	14		9	8	
Katja Rosenplänter-Marxer	14		9	8	
Fredy Vogt ²	6	2			2

¹ Member of the Board of Directors since 30 April 2021.

² Member of the Board of Directors until 30 April 2021.

The Strategy & Digitalisation Committee usually meets on six to eight occasions per annum. The CEO and others representatives of the Executive Board attend the meetings. In 2021, the Strategy & Digitalisation Committee met for a total of eight meetings.

Chairman Emeritus

Fürstlicher Kommerzienrat Dr Heinz Batliner, Vaduz, has been Chairman Emeritus of VP Bank since 1996. The Board of Directors bestowed this honorary title upon him for his services to VP Bank. From 1961 to 1990, Dr Heinz Batliner was Manager / General Manager and Chairman of the Executive Board, and from 1990 through 1996, Chairman of the Board of Directors.

3/6 Rules on competences

The Board of Directors is the corporate body in charge of overall management, supervision and control of the Executive Board. It bears ultimate responsibility for the strategic direction of VP Bank Group. The powers and duties of the Board of Directors are laid down in detail in Art. 17 of the Articles of Association as well as in sections 2.2 to 2.4 OBR. The tasks and competencies of the four Board committees are described in section 3 OBR.

The Board of Directors has delegated to the Executive Board the responsibility for the operational management of VP Bank as well as the overall management, supervision and control of the subsidiary companies of VP Bank Group. The tasks and competencies of the Executive Board are laid down in the Articles of Association (Art. 21) and in the OBR. The OBR contains more detailed provisions regarding the Executive Board / Group Executive Management in section 5 thereof.

The segregation of functions between the Board of Directors and the Executive Board / Group Executive Management is also evident in the organisational chart (→ page 26).

3/7 Information and control instruments vis-à-vis the Executive Board and Group Executive Management

The Board of Directors and its committees have at their disposal various informational and control instruments for managing and supervising the activities of the Executive Board. Among those instruments are the strategy process, medium-term planning, the budgeting process and reporting.

The members of the Board of Directors regularly receive various reports: monthly financial reports (individual company and Group basis), risk-controlling reports as well as periodic reports on the semi-annual and annual financial statements (consolidated and individual company accounts). The latter also include qualitative information as well as budget variances, period-specific and multiyear comparisons, key performance indicators and risk analyses, all of which cover the head office, the subsidiaries and the Group in aggregate. These reports enable the Board of Directors at all times to gain a picture of significant developments and the risk situation. Those reports that lie within the scope of tasks of the Audit or Risk Committees are dealt with by the respective committee and corresponding motions are forwarded to the Board of Directors for approval. The most recent reports undergo a comprehensive review at each Board meeting.

The Board of Directors reviews twice a year the implementation of business strategies and strategy controlling on the basis of the reporting by the Executive Board.

A further important instrument to assist the Board of Directors in fulfilling its supervisory and control function is Group Internal Audit which conducts its activities in compliance with the internationally recognised standards of the Swiss Institute of Internal Auditing and the Institute of Internal Auditors (IIA). The duties and powers of Group Internal Audit are laid down in specific regulations. As an independent body, it examines in particular the internal control system, management processes and risk management.

The Chairman of the Board of Directors receives all minutes of the Executive Board meetings. In addition, he also exchanges information with the CEO on a weekly basis, and on an ad hoc basis with the other members of Executive Management.

4 / Executive Board and Group Executive Management

The Executive Board is responsible for the operational management of the head office and, at the same time, for the management of VP Bank Group and is designated as Group Executive Management (GEM). Its tasks and competencies are specified in the OBR as well as in the functional

descriptions for the individual members of Executive Management. The Chairman of the Executive Board (CEO) is responsible for the overall management of the Group and Group-wide coordination.

The members of Executive Management generally meet every two weeks for a half-day session. Additional meetings and workshops are held for the purpose of assessing the strategy and corporate developments, as well as for dealing with annual planning, budgeting and other current issues.

4/1 Members of the Executive Board and Group Executive Management

As of 31 December 2021, the Executive Board and Group Executive Management were made up of the following individuals:

Name	Year of birth	Functions	At VP Bank since	Member since
Paul H. Arni	1964	Chief Executive Officer (CEO)	2019	2019
Roger Barmettler	1972	Chief Financial Officer (CFO), Deputy CEO	2020	2021
Patrick Bont	1975	Chief Risk Officer (CRO)	2020	2020
Dr Urs Monstein	1962	Chief Operating Officer (COO)	2018	2018
Thomas von Hohenhau	1983	Head of Client Solutions	2020	2020
Tobias Wehrli	1977	Head of Intermediaries & Private Banking	2015	2020

Since 2020, Roger Barmettler has held the position of CFO on an interim basis of VP Bank Group. As of 1 March 2021, the Board of Directors appointed Roger Barmettler Chief Financial Officer (CFO) and Member of the Executive Board and Group Executive Management.

4/2 Other activities and vested interests

The other activities of the members of Executive Management and any interests can be found in the biographies in section 4.1.

4/3 Number of authorised activities

VP Bank is not subject to the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). From that point of view, it has not issued any statutory rules concerning the number of authorised activities.

4/4 Management contracts

VP Bank has no management contracts with third parties that involve the delegation of management functions.

5 / Compensation, shareholdings and loans

5/1 Content and method of determining compensation and equity participation programmes

The details and procedures to determine compensation and of the equity participation programmes of the Board of Directors and Executive Board are described in the compensation report (→ pages 92 ff.).

5/2 Transparency of compensation, shareholdings and loans from foreign-domiciled issuers

As an issuer domiciled outside Switzerland, VP Bank discloses information on compensation, shareholdings and loans as provided for in section 5.3 of the Appendix to the Corporate Governance Directive dated 18 June 2021, i.e. by analogy to Art. 14 to 16 ERCO. The details in this regard can be found in the financial report and individual company accounts of VP Bank Ltd, Vaduz (→ pages 192 ff.).

6 / Shareholders' participation rights

6/1 Voting right restrictions and proxies

Each registered share grants the holder the right to one vote at the annual general meeting of VP Bank, irrespective of the par value of the shares. Each shareholder may either attend in person or be represented by another shareholder by means of a written proxy. There are no restrictions on voting rights or statutory group clauses.

6/2 Statutory quorums

Amendments to the Articles of Association regarding a change in the ratio of the registered shares A to registered shares B (Articles of Association, Art. 4(2)) as well as to the provisions governing the restriction on registration of registered shares B (Articles of Association, Art. 7a(1)) require the approval of at least a two-thirds' majority of all shares issued by VP Bank (Articles of Association, Art. 14(4)).

6/3 Convocation of the annual general meeting

Convocation of the annual general meeting is made in accordance with the provisions of law and the Articles of Association (Art. 11).

6/4 Agenda

The agenda for the annual general meeting is based upon the provisions of law and those of the Articles of Association (Arts. 11 to 14).



01

PAUL H. ARNI /
Chief Executive Officer (CEO)
of VP Bank Group



02

ROGER BARMETTLER /
Chief Financial Officer (CFO) of
VP Bank Group and Deputy Chief
Executive Officer



03

TOBIAS WEHRLI /
Head of Intermediaires &
Private Banking at VP Bank Group

01 / PAUL H. ARNI

Born 1964, Swiss

Education

2020: Certified Board Member, Rochester-Bern Executive Programs, Berne; 2006: Advanced Management Program (AMP), The Wharton School at the University of Pennsylvania (USA); 2002: Master of Business Administration MBA, University of Berne and University of Rochester (USA); 1999: Post-graduate diploma in Bank Management, Institute of Financial Services Zug (IFZ); 1995: Controller Diploma, Controller Academy, Zurich, and Swiss Institute for Business Administration (SIB), Zurich; 1990: Business Economist FH, Zurich University of Applied Sciences, Zurich

Professional background

Since 2019: VP Bank Ltd, Vaduz, Chief Executive Officer; 2017-2019: Deutsche Bank (Switzerland) AG, Zurich, Head of Wealth Management Switzerland and Member of Executive Management; 2014-2017: Bank Julius Baer & Co. Ltd., Zurich, Market Head Zurich, Deputy Regional Manager Switzerland, Member of the Management Advisory Board; 2008-2014: Credit Suisse AG, Zurich 2012-2014: Global COO Private Banking; 2008-2012: Regional Head Zurich and Head of Private Banking Switzerland for the Zurich Region; 1993-2008: UBS Inc., Zurich; 2007-2008: Regional Head of Wealth Management & Business Banking Mittelland, Berne; 2003-2007: Head of Management Support, Wealth Management Switzerland; 1999-2003: Head of Controlling for various business units; 1998-1999: Integration Office Switzerland during the UBS/SBC merger; 1993-1998: Controller / Team Head Controlling Retail Banking; 1991-1993: BMW (Switzerland) AG, Dielsdorf, Dealership Business Consultant and Sales Zone Manager for the Zurich Region; 1985-1990: PBZ Privatbank, Zurich, Assistant to the Board of Management and employee in the Capital Markets department

Other activities and vested interests

Member of the Board and Vice President of the Liechtenstein Bankers Association, Vaduz; Member of the Board of the Liechtenstein Chamber of Commerce and Industry (LIHK), Vaduz

02 / ROGER BARMETTLER

Born 1972, Swiss

Education

2001: Swiss Certified Accountant, Treuhandskammer Zurich; 1997: Bachelor of Science in Business Administration, University of Lucerne

Professional background

Since 2020: VP Bank Ltd, Vaduz; since 03/2021: Chief Financial Officer; 06/2020-02/2021: Chief Financial Officer ad interim; 2020: Head of Group Finance; 2018-2019: UBS Inc., Zurich, Group Accounting; 2005-2018: Credit Suisse AG, Zurich; 2014-2018: Liquidity Measurement & Reporting; 2013-2014: Head of Credit Risk Reporting Private Banking;

2011-2012: COO of Risk Analytics & Reporting; 2006-2011: Group Accounting, Financial Reporting & Consolidation; 2005-2006: Audit Manager Financial Audit Team; 2004-2005: UBS Investment Bank, Zurich, Senior Auditor, Group Internal Audit; 2002-2003: KPMG LLP, Philadelphia (USA), Senior Auditor; 1997-2004: KPMG Fides Peat, Zurich, Audit Manager

Other activities and vested interests

Member of the Board of Trustees of the "Treuhands-Personalstiftung" foundation, Vaduz; Member of the Board of Trustees of the "Privatbank Personalstiftung" foundation, Vaduz; Member of the Board of Trustees of the "Einlagensicherungs- und Anlegerentschädigungs-Stiftung SV" foundation, Vaduz

03 / TOBIAS WEHRLI

Born 1977, Swiss

Education

2012-2014: Executive Master of Business Administration (EMBA), FHS St. Gallen, specialisation in Service Management; 2006: Fit for CAS Customers (Comprehensive Advice Seeking); 2005: Next PACE - Credit Suisse Advisory Process in Private Banking; 2004: Series 7 / General Securities Registered Representative Qualification Examination (American NYSE Trader Exam); 2003-2004: Executive Master of Financial Planning, CFP post-graduate studies at the FHS Fachhochschule für Technik, Wirtschaft und Soziale Arbeit St. Gallen (University of Applied Sciences); 1998-2001: FHS Fachhochschule für Technik, Wirtschaft und Soziale Arbeit St. Gallen (University of Applied Sciences; field of study: Economics with specialisation in Financial Services)

Professional background

Since 2020: VP Bank Ltd, Head of Intermediaries & Private Banking, Vaduz; 2015-2020: Head of Intermediaries, VP Bank Ltd, Vaduz, special responsibility VP Bank Group: locations Zurich, Singapore, Luxembourg, Liechtenstein; 2016-2019: Additional team management "Commercial Banking Domestic"; 2009-2015: St. Galler Kantonalbank AG, St. Gallen, Head of Desk for External Asset Managers, Member of the Management Board; 2007-2009: Financial Architects Schweiz, Wil, investment advisor for FMH Swiss Medical Association, Deputy General Manager / Partner; 2005-2007: Credit Suisse Private Banking, St. Gallen, Relationship Manager for foreign countries, Assistant Vice President; 2004-2005: Swiss American Sec. Inc., New York City (USA), Broker, Trading and Sales, Assistant Vice President; 2001-2004: Credit Suisse Private Banking, Frauenfeld, Relationship Manager Domestic, Assistant Vice President; 1997-1998: UBS Inc., Zurich, Financial Education Team; 1996-1997: UBS Inc., Wil, commercial employee in private customer business; 1993-1996: UBS Inc., Wil, commercial training incl. BMS (federal vocational baccalaureate)

Other activities and vested interests

None

04 / THOMAS VON HOHENHAU

Born 1983, German and Swiss

Education

2011: Master of Arts in Banking and Finance, University of St. Gallen (HSG); 2007: Bachelor of Arts in Business Administration, University of Zurich

Professional background

Since 2020: VP Bank Ltd, Vaduz, Head of Client Solutions; 2019-2020: Deposit Solutions, Zurich, CEO Switzerland; 2016-2020: Deposit Solutions, Global, Chief Client Officer; 2016-2018: Deposit Solutions, Zurich, Managing Director; 2015-2016: Bank Julius Baer & Co. Ltd., various international locations, Head of Portfolio Management International; 2014-2015: Bank Julius Baer & Co. Ltd., Global, Global Head of PM Business Operations & Management; 2012-2014: Bank Julius Baer & Co. Ltd., various international locations, Global Head of Integration Merrill Lynch Portfolio Management; 2009-2014: Bank Julius Baer & Co. Ltd., Zurich, Head of PM Business Development

Other activities and vested interests

Owner of Andorien Capital AG, Zurich; Member of the Board of Young SECA

05 / PATRICK BONT

Born 1975, Swiss

Education

2015-2016: Executive Master of Business Administration (EMBA) in Digital Transformation, HTW Chur, University of Applied Sciences; 2010-2012: Executive Master of Laws (LL.M.) in Company Foundations and Trust Law, University of Liechtenstein; 1995-2001: Master of Arts (lic. iur. HSG), University of St. Gallen HSG

Professional background

Since 2020: VP Bank Ltd, Vaduz, Liechtenstein, Chief Risk Officer; 2009-2020: FMA Financial Market Authority Liechtenstein, Vaduz; 2016-2020: Member of Executive Management, Division Manager "Banking"; 2013-2015: Member of Executive Management, Division Manager "Other Financial Intermediaries"; 2010-2013: Head of Legal and International Affairs; 2009-2010: Lawyer, Executive Board staff; 2001-2009: UBS Inc., Zurich / Hong Kong; 2005-2009: Director, Head of Business Management, Group General Counsel Area - UBS Corporate Center, Zurich; 2007-2008: Director, Head of Business Management, Legal & Compliance - UBS Investment Bank, Hong Kong; 2003-2005: Business Analyst, Operational Risk - UBS Corporate Center, Zurich; 2001-2003: Junior Client Advisor - UBS Wealth Management, Zurich

Other activities and vested interests

University of Liechtenstein - Lecturer for the Compliance certificate course

06 / DR URS MONSTEIN

Born 1962, Swiss

Education

1996: Swiss Banking School, Zurich; 1994: Dr iur., University of St. Gallen; 1991: lic. oec., University of St. Gallen; 1988: lic. iur., University of St. Gallen

Professional background

Since 2018: VP Bank Ltd, Vaduz; since 2018: Chief Operating Officer (COO); 02-09/2019: Chief Executive Officer (CEO) ad interim, Chief Operating Officer (COO); 2006-2017: Bank Julius Baer & Co. Ltd., Zurich; 2012-2017: Global Head IT/CIO; 2010-2011: Head of Strategic Programs; 2008-2009: COO International / Program Manager; 2006-2007: Program Manager Strategic Initiatives; 2004-2006: Bank Ehinger & Armand von Ernst, Zurich, COO, Member of Executive Management; 1998-2003: UBS Group Inc., Zurich; 2001-2003: Head of Strategic Project Management; 2000-2001: Head of Private Banking Services Switzerland; 1998-1999: Project Manager Migration Private Banking Switzerland; 1992-1997: Union Bank of Switzerland, Zurich; 1996-1997: Head of the Investment Clients and Securities Administration Unit; 1995-1996: Training placement for corporate clients, Geneva; 1993-1995: Assistant to the Chairman of the Board of Management, Switzerland Region; 1992-1993: Controlling Region Switzerland; 1987-1990: University of St. Gallen, research assistant (tax law, public law)

Other activities and vested interests

Chairman of the Board of Directors of Data Info Services AG, Vaduz



04

THOMAS VON HOHENAU /
Head of Client Solutions
of VP Bank Group



05

PATRICK BONT /
Chief Risk Officer (CRO) of VP Bank Group



06

DR URS MONSTEIN /
Chief Operating Officer (COO)
of VP Bank Group

6/5 Entries in the share register / invitation to the annual general meeting

Registered shares are entered into the share register with the name, citizenship, address and date of birth of the owner. Only registered shareholders are entitled to exercise membership rights vis-à-vis the company.

Registered shareholders who have been entered into the share register receive an invitation to the annual general meeting, including the agenda, sent to the address known to VP Bank. Upon successful registration, shareholders receive an entry pass together with the relevant voting material.

The invitation to the annual general meeting is also published in the Liechtenstein newspapers and the Swiss financial press.

7 / Change of control and defensive measures

As VP Bank Ltd is a licensed bank domiciled in Liechtenstein whose shares are listed on SIX Swiss Exchange Ltd, it also must observe several Swiss regulations in addition to those of Liechtenstein. The former include, in particular, the provisions regarding the disclosure of significant shareholders which are included in the Financial Market Infrastructure Act (FinMIA) and the related Financial Market Infrastructure Ordinance (FinMIO). Consequently, shareholders are to make ad hoc notification to both SIX Swiss Exchange Ltd and VP Bank Ltd whenever the defined thresholds are crossed.

The Articles of Association of VP Bank contain no comparable regulations as to "opting-out" and "opting-in" as reflected in the Swiss provisions. Neither do any change of control clauses exist in favour of the members of the Board of Directors or the Executive Board or Group Executive Management. The provisions of the Liechtenstein Act on Takeovers (TOA) apply.

8 / Auditors

8/1 Duration of mandate and term of office of the lead auditor

For reasons of corporate governance, and with a view to the introduction of a mandatory rotation principle, PricewaterhouseCoopers AG, Zurich, were appointed as Group and statutory auditors, starting with the 2020 financial year, following the proposal of the Board of Directors at the Annual General Meeting of 26 April 2019. At the Annual General Meeting of 30 April 2021, PricewaterhouseCoopers AG were reappointed as Group and statutory auditors for the 2021 financial year.

Rolf Birrer has been the lead auditor since 2020.

8/2 Audit fee¹

in CHF 1,000	2021	2020
Audit of annual financial statements	565	593
Other audit-related and certification services	662	521
Total	1,227	1,114

¹ Professional fees are reported exclusive of VAT and expenses.

The costs for the financial, supervisory and special statutory audits of the companies of VP Bank Group amounted to CHF 1,226,886 for the 2021 financial year (2020: CHF 1,113,995).

8/3 Additional professional fees¹

in CHF 1,000	2021	2020
Tax-advisory services	273	285
Other services	6	332
of which audit-related services	5	
of which legal services		
of which other advisory services	1	332
Total	279	617

¹ Professional fees are reported exclusive of VAT and expenses.

In the 2021 financial year, PricewaterhouseCoopers billed CHF 272,625 (2020: CHF 285,135) for services rendered, mainly in connection with tax services for investment funds.

In assigning additional tasks to the auditors, the Bank ensures that these services are commensurate with their activities as external auditors and lead to no conflicts of interest.

8/4 Supervisory and control instruments in relation to the external audit

The Audit Committee reviews the multiyear audit planning as well as the planned annual auditing activities and, in a specific agenda item, discusses these with the Auditor-in-Charge from the external auditing firm as well as the Head of Group Internal Audit. The Audit Committee attaches particular importance to a risk-oriented approach in the planning and conduct of the audit, as well as appropriate coordination of the auditing activities of the external auditors with those of Internal Audit.

All reports by the external auditors are reviewed at the meetings of the Audit Committee. In 2021, the external auditors were present at all meetings of the Audit Committee in which external audit-related items were on the agenda. In addition, the Auditor-in-Charge was in attendance at the Board of Directors' meeting to present and deal with the Banking-Law Auditors' Report.

Each year, the Audit Committee examines and evaluates the effectiveness and independence of the external auditors. In doing so, it relies on documents generated by the external auditors, such as the Auditors' Report prescribed under the Banking Act, management letters, as well as oral and written statements of position on individual issues and technical questions in connection with financial-statement reporting and the audit. Furthermore, a systematic annual assessment is made on the basis of checklists and professional fee comparisons within the auditing industry. Based on this evaluation, a motion is submitted to the Board of Directors for the attention of the annual general meeting as regards the election of the external auditors and Group Auditors.

9 / Information policy

All announcements of VP Bank required by law are made in a legally binding manner in the official Liechtenstein publication media (Articles of Association, Art. 25(1)).

VP Bank informs shareholders and capital market participants in an open, comprehensive and timely manner. Its information policy is based on the principle of equal treatment of all capital market participants. VP Bank informs shareholders and capital market participants by means of detailed annual and semi-annual reports, which are drawn up for VP Bank Group in accordance with International Financial Reporting Standards (IFRS), as well as via media releases concerning the latest changes and developments. As a company listed on SIX Swiss Exchange Ltd, VP Bank is also subject in particular to the obligation to immediately publicise any price-sensitive events (ad hoc publicity obligation).

10 / Trading lock-up periods

A general lock-up period for the trading of VP Bank financial instruments (shares, bonds, money market papers) and derivatives of these applies for all employees of the Group one working day prior and on the actual date of publication of the annual and semi-annual results.

Because of their position or role, members of the Board of Directors, the Executive Board, management level 2 and Group Finance and Group Internal Audit are categorised as insiders for the purposes of VP Bank financial instruments or derivatives of these. Additional persons and areas that potentially have access to material unpublished information about VP Bank Group will be determined through regular insider compliance risk assessments. These persons and areas are recorded in an insider list for VP Bank financial instruments.

These persons (including related parties) and areas are subject to lock-up periods, in particular during the following periods: Between 1 June and the time at which the semi-annual results are published, and between 1 December and the time at which the annual results are published, no transactions may be executed with VP Bank financial instruments or derivatives of these.

The lock-up periods are not deemed lifted by any ad hoc disclosures in line with the SIX Swiss Exchange Directive on ad hoc publicity. If orders subject to restrictions are executed during the lock-up periods, this will also be considered a violation of internal directives.

In consultation with the Chief Risk Officer, the Chairman of the Board of Directors or the Chief Executive Officer may at any time order further trading restrictions, such as in the case of M&A transactions.

Allocations of shares as part of stock-ownership and other incentivisation plans are not considered to be a purchase and the corresponding allocation date is therefore not relevant for adherence to the retention periods.

Agenda

Annual General Meeting: 29 April 2022
Semi-Annual Report 2022: 17 August 2022

Investors and other interested parties can find additional information on the Bank as well as the Articles of Association, the OBR, and further publications on the website www.vpbank.com

Contact

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