

BoD members Remuneration Report for fiscal year 2019

European Reliance General Insurance Co. S.A. according to the obligations deriving from L. 4548/2018 art. 112 prepares the present Remuneration Policy to describe with clarity and transparency the remuneration of Board members and the General Directors from their participation in the Company's Management.

Description of the BoD members Remuneration Policy

The BoD members Remuneration Policy that the Company has established aims to describe the main principles that govern the remuneration system for the Board Members, principles that express the vision of the Company, the business culture, the fundamental principles of the Company and the long-term business strategy. Within this framework, the following have been taken into account:

- The liability of the Board members for the assurance of the effectiveness and adequacy of the system of governance, taking into consideration the nature, scale and complexity of the Company's operations.
- The prevention of excessive risk-taking.
- The prevention or limitation of conflict of interests.
- The wage and working conditions of the Company's employees.
- The general long-term environment and the economic circumstances.
- The intense competition in the insurance industry.

The structure of the Remuneration **for the executive Board members and General Directors** includes fixed and variable pay. The benefits operate as an extra motive for higher performance and commitment. The total remuneration and benefits are determined according to the Company's annual financial results, always characterized by prevention of excessive risk-taking and cases of conflict of the interests among the Company's executives.

- 1. Fixed Pay:** is the fixed part of the remuneration of the executive Board members determined according to the terms that govern their working relationship and the approval of the General Meeting of Shareholders. The fixed remuneration is formed based on the knowledge, experience, and the importance of the position, taking into consideration the market figures, in similar working positions.

2. **Variable Pay:** is the part of the payments of the executive Board members that the Company may pay for their performance regarding the degree of achievement of their annual objectives and the Company's results. Indicative criteria for the assessment of the performance of the Board members is the achievement of the following objectives:

- Profitability, increase of market share and development of projects,
- Strengthening and connecting the Company's name with Solvency & Trust,
- Full compliance with the new legislative and regulatory frameworks,
- Constant IT development of the IT Systems for the provision of higher level of services to the customers.

The variable remuneration may vary as a percentage on the fixed remuneration up to 100% for cases of 100% success in the predefined objectives. In case of over-achieving the predefined objectives as a rate over 100%, the variable remuneration may rise over 150% on the fixed remuneration. Moreover, the extra percentage of over 100% may be rescheduled up to the completion of the five-year business plan.

3. **Long-Term motives:** Employee Stock Option Scheme where a number of stock options is distributed for the duration of registration /withdrawal period for x-years. The above case requires a decision by the Board of Directors and the General Meeting of Shareholders.
4. **Distribution of profit:** Remuneration with participation in the profit of the fiscal year will be provided upon decision of the General Meeting of Shareholders that will clearly define the height of the aforementioned remuneration.
5. **Benefits:** are the non-monetary earnings and, more specifically for the Board members, the participation in a group life and health insurance coverage and group pension scheme.

The **independent and non-executive Board members, whose** active participation is not required in the daily decision-making for the management of the company, may be paid with annual remuneration that shall be determined by the Board of Directors and the General Meeting of Shareholders. Non-executive members may not receive variable earnings and Stock Options Rights.

Other benefits may be granted to the Board Members, based on the provisions applicable for the rest of the Company's personnel.

In addition, it is possible to cover travel, accommodation and food expenses for the members of the Board of Directors.

Procedure

The Corporate Governance, Remuneration and Nomination Committee makes proposals, taking into consideration the annual business plan, in combination with the 5-year business plan of the Company, the Risk Management Strategy, the long-term objectives of the Company and the approved contractual obligations, the Remuneration Policy submitted for approval to the Board of Directors, which will be afterwards submitted for final approval to the General Meeting of Shareholders.

The Corporate Governance, Remuneration and Nomination Committee reexamines at least annually this Policy. The duration of the approved Remuneration Policy may not exceed 4 years, after its approval by the General Meeting of Shareholders.

The Remuneration Policy of European Reliance General Insurance Co. S.A. as updated, was approved in the Annual General Meeting of Shareholders on 21/05/2019.

The Company applied the above policy without deviation in fiscal year 2019. The subsidiaries of the Group did not pay for remuneration to any of the Board members of European Reliance General Insurance Co. S.A. for their participation in the Board of Directors with the exception of Mr. G. Konstantinidis, after his identity as Chief Executive Officer of the subsidiary of the Group ALTER EGO S.A. The Company, in fiscal year 2019, did not grant any shares and stock option rights within the scheme of provision of shares in the Board members.

Below, we attach a table with the annual variance of the remuneration of the Board members, the performance (pre-tax profitability) and the average remuneration of full-time employees, except for the executives, over the past five fiscal years.

Year	Variance of pre-tax profitability	Variance of BoD members Remuneration	Variance of average salary
2014/2015	6,40%	39,08%	-6,11%
2015/2016	28,20%	-1,52%	-4,99%
2016/2017	7,60%	3,80%	3,46%
2017/2018	-32,60%	-0,28%	-0,51%
2018/2019	50,30%	-5,31%	0,90%

Below, we attach a detailed table with the remuneration of the Board member.

Briefing on the Remuneration of the Board Members for fiscal year 2019 (01/01/2019- 31/12/2019) in accordance with L. 4548/2018 (amounts in €)			
	Board Members		
	Independent	Non-executive	Executive
Number of Beneficiaries	3	3	4
Total fixed remuneration	42.000	31.551	1.350.542
Total variable remuneration paid in:	0	0	0
Cash	0	0	0
Equity	0	0	0
Equity based financial instruments	0	0	0
Other Categories (Group Pension Scheme)	78.000	102.151	809.585
Amount of deferred remuneration divided into	0	0	0
Vested	0	0	0
Unvested	0	0	0
Amounts of deferred remuneration, decided to be paid and were decreased after readjustments based on the performance	0	0	0
Number of Beneficiaries that received pay after recruitment	0	0	0
Total payment after recruitment	0	0	0
Number of beneficiaries compensated after leaving the company	0	0	0
Total compensation amount after leaving the company	0	0	0
Highest amount paid as compensation to an individual	0	0	0
Remuneration from Subsidiaries	0	73.134	0
Other Benefits (Transportation expenses/ Group Health Scheme)	12.696	3.793	21.871

The present remuneration report will be submitted for discussion in the Ordinary General Meeting of Shareholders of the Company on 28/04/2020, as a subject on the agenda. After the General Meeting and with prejudice to par. 5 of art. 112 of L. 4548/2018, the present report will remain available on the website of European Reliance (<https://www.europaikipisti.gr/en/Home>) for the time period of ten years.