



Remuneration Policy for Board Members

Proposed to the General Meeting of Shareholders on 21/05/2019

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Σφάλμα! Δεν έχει οριστεί σελιδοδείκτης.

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Document Information	Description
Document title	Remuneration Policy for Board Members
Company	European Reliance
Competent Unit / Office	Human Resources Department
Document owner	Ioanna Danaka
Content	Define the key principles for the remuneration and benefits of the Company
IT Systems	HRM PYLON

Document updates

Version No.	Brief description of the updates/ amendments:	Updated by:	Reviewed/ Approved by:
1	Approval of the Remuneration Policy	Human Resources Department	Corporate Governance Committee/ General Meeting of Shareholders

1. Introduction

European Reliance General Insurance Co. S.A. according to the obligations deriving from L. 4548/2018 No. 110-111 and L. 4364/ 2016 establishes a Remuneration Policy for the executive Board members and the General Directors, which refers to their remuneration for their participation in the Company's Management.

This special policy is in line with the business strategy, the objectives and the long-term interests of the Company and the long-term creation of value to the shareholders.

2. Objective

The Objective of the Board Members Remuneration Policy is 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 government system, 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.

3. Structure of the Remuneration and Benefits

The structure of the Remuneration **for the executive Board members and General Directors** includes stable and variable remuneration. 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 Remuneration:** is the stable 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 stable remuneration is

shaped based on the knowledge, experience and the importance of the position, taking into consideration the market figures, in similar working positions.

2. **Variable Remuneration:** 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 stable remuneration up to 100% for cases of 100% success in the predefined objectives. In case of over-achieving the predetermined objectives over 100%, the variable remuneration may rise over 150% on the stable remuneration. Moreover, the extra percentage 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, as required by the Law.

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 **Non-executive – non-independent and non-executive – independent Board members, whose** active participation is not required in the daily decision-making for the management of the company, may be paid with annual compensations that shall be determined by the Board 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.

The working contracts of the Managing Director and the executive BoD members are of indefinite time period.

4. Benefits for leaving the Company

If the compensations for the termination of the working relationship exceed the amount provided by the Law, they will be correlated with the achieved performances throughout the activity period and are designed in a way that would not reward failure.

5. 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 Policy, 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, is proposed for approval to the Annual General Meeting of Shareholders on 21/05/2019.

The Deviations from the Remuneration Policy refer only to the variable earnings and benefits and is allowed only in exceptional cases and after proposals of the Corporate Governance, Remuneration and Nomination Committee to the Board of Directors. The Board of Directors approves the deviation, if it considers that it is necessary to serve the long-term interests or to ensure the Company's sustainability.

6. Disclosures

The approved Remuneration Policy remains available in the Company's website for as long as it is valid.