

EUROPEAN RELIANCE  
GENERAL INSURANCE COMPANY S.A.

SUSTAINABILITY REPORT FOR THE PERIOD 01/01/2018 - 31/12/2018

## Representative's Statement

Dear Shareholders,

European Reliance, since its first establishment, serves the people and the community, because the social and environmental liability are its key strategic axes.

Our objective is to constantly import new innovative solutions and participate in actions that promote social and cultural soundness and environmental consciousness.

As Group, along with our fiscal development, we focus on the development of the human resources, the excellent customer service and the contribution to the sustainable development. Sustainable development aims to create a balance between our social, environmental and financial needs by maintaining social equality and justice and providing a long-term approach for the conservation of our necessary resources.

According to L. 4403/2016, the summarized sustainability report aims to inform all interested parties of European Reliance Group of Companies on the policies, schemes, actions and future objectives of the Group. Instead of the ordinary fiscal report, the sustainability report (reporting period January- December 2018) presents the Group's liability to inform the wider general public on the impact of the corporate activities, adopting all modern requirements for the total compliance with the principles of transparency and accountability. The Sustainability Report of our Group is documentation of our social responsibility which has been integrated in the corporate strategy.

Our Group's alignment with the social requirements of the 21st century is based on the European Social Model and the global initiatives and standards on Corporate Social Responsibility collected by the 10 principles of the UN Global Compact, the UN guidelines for Businesses, the Human Rights, the 17 Sustainable Development Goals – SDGs and the ILO Declaration on Fundamental Principles and Rights at Work for multinational enterprises and social policy.

Our Group follows the Guidelines and Standards of the Global Reporting Initiative (GRI), the 17 Sustainable Development Goals of the United Nations and the Guidelines of ISO:26000 Certification for Corporate Social Responsibility.

European Reliance was the first insurance company in Greece that adopted in 2011 the ISO:26000 Certification and the GRI Guidelines.

Our Group puts great emphasis on the promotion of innovative operations and products and on matters of sustainable operation and from this reporting period and on this will be imprinted with clarity in the Sustainability Report, according to the GRI Guidelines (edition GRI-G4).

Moreover, our Group voluntarily participates in the UN Global Compact for sustainability and responsible business activity.

Your Sincerely,

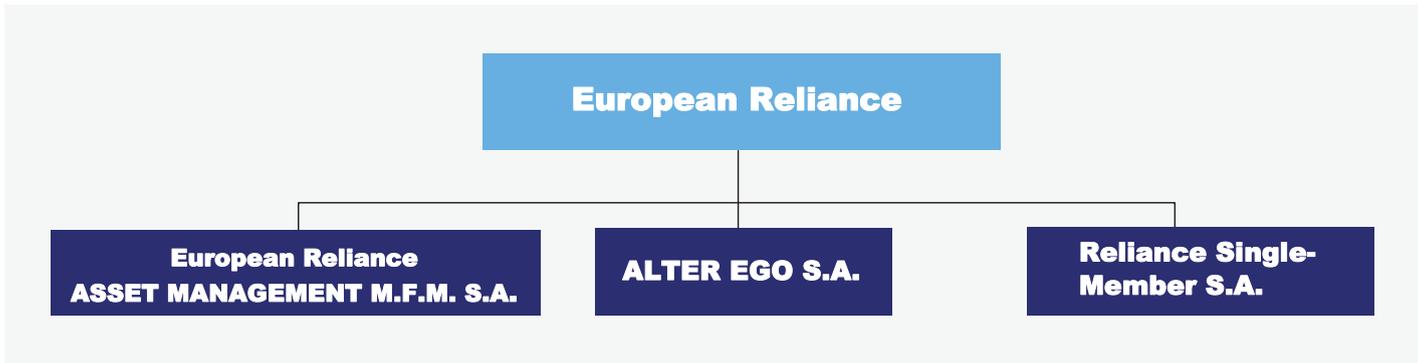
**Stefanos Verzovitis**  
**Member of the Board of Directors**  
**Chief Financial Officer**

# European Reliance Group Profile

EUROPEAN RELIANCE GENERAL INSURANCE COMPANY S.A. (S. A. Reg. No. 12855/05/B/86/35), General Electronic Commercial Registry (G.E.M.I.) No. 322801000) was established in 1977. The Company's objective, according to Art. 4 of its Articles of Association, is to provide all kinds of insurance and reinsurance coverage, except for credit and guarantee insurance. Registered address: 274 Kifisias Avenue, Postal Code 15232, Chalandri.

The Group includes the companies:

- **European Reliance General Insurance Co.** (parent)
- Alter Ego S.A.
- European Reliance Asset Management M.F.M.S.A.
- Reliance Single-Member Insurance Agents S.A.



European Reliance General Insurance Co. S.A. is an insurance company active in all modern sectors of insurance, providing full insurance coverage to individuals and businesses. The Company has developed innovative and flexible insurance schemes and continuously invests in new and pioneering technologies.

Since 1997, the company has been publicly listed on the Main Market of the Athens Stock Exchange and at the moment is the only Greek listed Company.

Furthermore, European Reliance is the first Company rewarded for its services with ISO 9001:2000 Certification in 2002 and nowadays holds the new ISO 9001:2015 certification. In 2017, the Company received a Certification by the Inspection and Certification Body "TÜV HELLAS (TÜV NORD)", in accordance with international standard ISO 27001:2013 Certification, on the requirements for the Information Security Management System.

The main insurance products and services of European Reliance General Insurance Co. S.A. are offered to Individuals and companies in all modern sectors of insurance, such as:

- Pension
- Family
- Child
- Motor
- Home
- Health
- Quality of Life
- Group Insurance

- Transport
- Financial Loss

**European Reliance Asset Management M.F.M. S.A.** was established in 1990 and specializes in mutual funds management. The company is active in sectors of Portfolio Management, Corporate Finance, Venture Capital and develops Investment Banking for investment services. European Reliance General Insurance Company S.A. owns 99.01% of European Reliance Asset Management M.F.M. S.A.

The purpose of European Reliance Asset Management M.F.M. S.A. is to build long-term relationships with its clients that are based on trust, emphasizing the quality of the provided services and the human factor. The Company consists of a team of experienced colleagues and acknowledged executives, that apply all modern technologies and can guarantee the company's effectiveness.

**Alter Ego Facilities Management** is one of the largest companies for provision of integrated Facilities Management solutions. The Company is active throughout Greece, providing its services to leading Greek and multinational companies. And its active customer base includes more than 65 private companies. European Reliance General Insurance Company S.A. owns 97.30% of European Reliance Asset Management M.F.M.S.A.

Since its first establishment in 1986 up to the present day, Alter Ego Facilities Management S.A. pursues long-term professional relationships, through customer-oriented approach.

ALTER EGO S.A. has more than 720 employees and manages facilities of customers exceeding a total of 400.000 sq.m.

The Company specializes in the management of commercial real estate (office buildings, hospitals, shopping centers, chain stores, industrial and storage facilities) and its services are in total compliance with the International Standards of Quality, Occupational Health and Safety Management Systems and Environmental Management.

Moreover, it has been selected by major international companies in the fields of Real Estate, Property Management and Facilities Management as one of their main partners in the Greek market and is a founding member of the independent Hellenic Facility Manager- Association.

## Sustainability Material Issues

The key topics raised by GRI G4 Guidelines and L. 4403/2016, are analyzed in the following chapters and consist our Company's Sustainability Framework, according to GRI G4 Guidelines. The key sustainability topics, as defined by ISO 26000 certification, are present below:

Corporate Governance	1
Human Rights	2
Labor relationships-Labor practices	3
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Responsible and Fair provision of Services	5
Consumer Issues	6
Social Responsibility	7

### 1. Corporate Governance

The system of governance of the Company and the statement of Corporate Governance are presented in detail in the last pages of this report. (see page 18: Statement of Corporate Governance).

### 2. Human Rights

European Reliance Group of Companies voluntarily participates in the UN Global Compact aiming to apply the terms of sustainable business function and sustainable business development in its policies by standing for and promoting the principles that concern human rights, labor rights, the protection of the environment and the fight against corruption.

The UN Global Compact encourages businesses to promote and apply the ten principles for human rights, labour, environment and fight against corruption, are based on the following documents:

- Universal Declaration of Human Rights
- Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development,
- United Nations Convention against Corruption

The Principles of the United Nations Global Compact on human rights and the actions of European Reliance, in compliance with the following principles:

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 Businesses should make sure that they are not

complicit in human rights abuses.

Our Group is in total compliance with the Greek and international legislation and the implementations of policies of Human Rights.

For the Group, these principles are self-evident values and are adhered to all of our partnerships.

The internal regulation and function of the Group is governed by principles of justice, respect of the personality, objectivity, meritocracy, complete abstinence from any form of discrimination and harassment and equal opportunities with provisions for the maximum safety of our employees, in the case of an unfortunate event.

The company applies the confidentiality of information and the Principles for the Protection of Personal Data.

Since the beginning of 2017, our Group has performed all necessary actions to fully comply with the new General Data Protection Regulation (GDPR), the new European Insurance Distribution Directive (IDD) and the new Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26th November 2014 regarding the key information documents for packaged retail investment and insurance products (PRIIP).

### 3. Labor relationships- Labor practices

Our people's education and high training levels in their working field is a major pillar for our Company. Their constant training and experience are the key elements that make the Group competitive in the Greek insurance market.

The goal of European Reliance Group of Companies is to adopt policies and practices that enhance the personal development and advancement of the employees. In European Reliance, daily work gives meaning to the life of the employee, purpose and a feeling of self-fulfillment, as the employee participates in a valuable project.

Our Code of Conduct creates a framework that is based on the principles of trading practices and professional conduct, so that all employees will be aware of the Company's principles of good practice and ethics. The Internal Regulation of Operations contributes to the creation of a healthy, safe and pleasant working environment, promoting transparency in all of our Group's activities.

The Principles of the United Nations Global Compact on labor rights and the actions of European Reliance, in compliance with the following principles:

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labor.

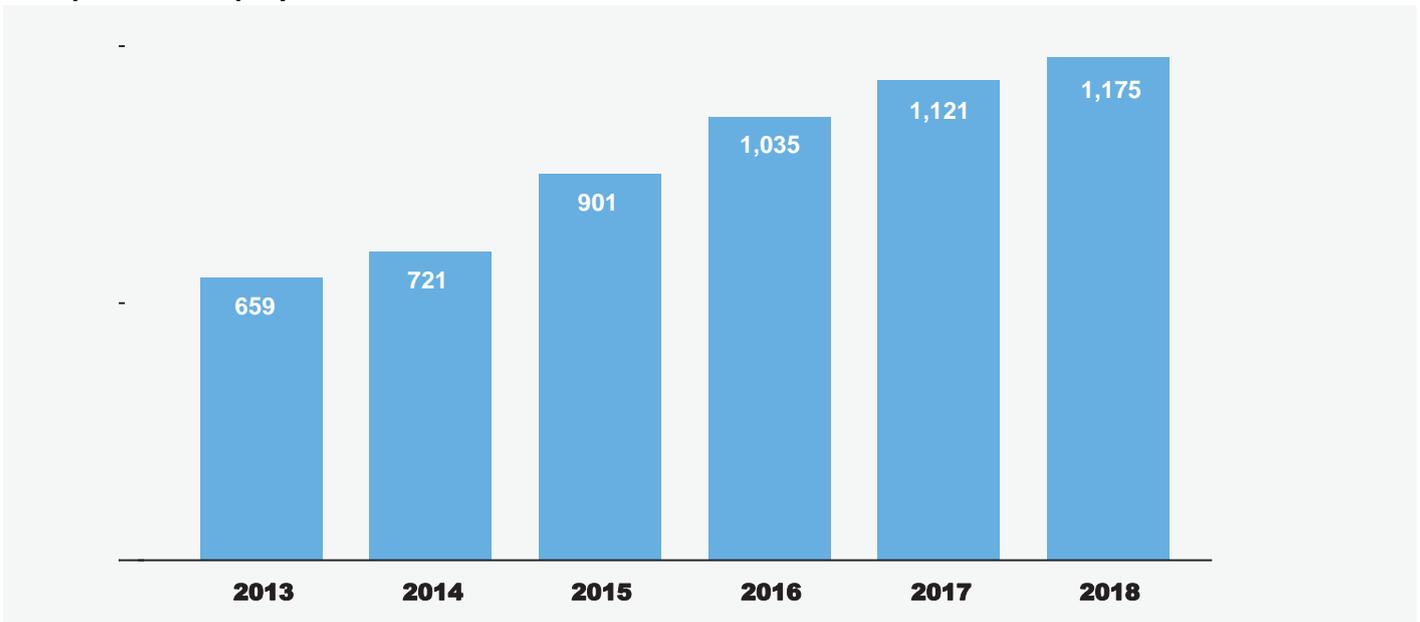
Principle 5 Business should uphold the effective abolition of child labor.

Our Group of Companies respects and supports the internationally proclaimed human rights and fully complies with the Greek and European legislation.

Moreover, it applies all the collective labor agreements, hires male and female employees from various nationalities and provides opportunities for continuing education and professional development.

European Reliance is proud for its published figures on labor practices and the Groups' financial results. The Group's employees in 2018 amounted to 1,175 people, presenting 4.8% increase comparing to 2017 and ensuring the provision of equal opportunities. Since 2013, European Reliance Group of Companies has raised the number of its personnel to 516 people.

## Group's Total Employees



The provision of opportunities for training and education with fair participation to all of our employees is one of the main pillars for the sustainable development of our Group.

Therefore, we organize education and reward programs, that aim to provide improved customer's services and integrated value-added services, that are in fully compliance with our Group's approach on customer's service.

The labor relations and practices of our Group of Companies involve:

- The recruitment, continuous training and progress of our employees
- The creation of medium-term and long-term working positions
- The transfer of employees in different working positions to achieve continuous training and education practices
- Excellent working environment
- The successful cooperation of our employees in working groups
- Public debate regarding labor issues and social concerns
- Employees' reward for voluntary initiatives on Corporate Social Responsibility European Reliance sets the bar high on issues of labor practices and relations.

More specifically, the Group:

- Creates working conditions that enable our employees to balance their private life and professional duties (96% of our employees has full-time, permanent contracts and, according to the latest research of our Human Resources Department, 94% of our employees is fully satisfied with their position in the Company).
- Creates new working positions. Since 2013, the Group has increased its personnel by 516 people.
- Accepts all employees that have interrupted their employment contract for personal reasons for a certain period of time (100% of the employees that requested to return to their working position was accepted).
- Cares about the health and safety of the employees and complies with all relevant regulations (In 2018 there has not been a single injury recorded).
- Applies fair remuneration policies, according to the productivity and the working experience of each employee.
- Provides insurance coverage for the 100% of the employees that have been working in the company over a year, with special privileges, such as the Group Health Insurance Coverage.
- Actively supports woman's right to pregnancy.
- Stands up for the equal opportunities for women (66% of the employees and 43% of the executive directors are women).
- Has a very high regard for the knowledge and experience of the oldest employees of the company and urges them to undertake mentoring and coaching roles to the new employees.
- Promotes public debate in working groups and in social networks based on common interests.
- Supports life-long learning programs for the employees with seminars and trips in Greece and abroad, aiming at their best training and therefore ultimate customer service experiences.
- Maintains a clear attitude on "money laundering" and has established procedures to prevent cases of money laundering (every financial /administrative officer involved in issues of compliance and internal audit has attended relevant seminars).
- Rewards employees for their social work and initiatives for Corporate Social Responsibility.

## Employee Benefits

The benefits of the employees of European Reliance Group of Companies are listed below:

- Group health insurance program for all employees
- Group Health insurance program for the families of the employees (spouse- children)
- Company's Blood Banking
- Medical doctor
- Safety Technician
- Discount up to 30% in the employees' insurance premiums
- Continuous external and internal Training and Seminars
- Corporate events and celebrations
- Wedding presents
- Christmas celebration with presents for the children of employees
- Opportunities for the employee's children to acquire Professional Experience
- Discount and privileged prices in cooperating companies

## Summarized Statistics of Human Resources

	2018	2017	Variance %
Personnel Increase Ratio	4.8%	8.3%	+1.6%
Voluntary Employees' Turnover Rate	0.2%	0.2%	+0.3%
Male	34%	35%	-1%
Female	66%	65%	+1%
Age of Employees			
18-33	37%	34%	+3%
34-49	50%	52%	-2%
50+	13%	14%	-1%
Women in top managerial positions	43%	43%	0%
Total training hours	8,526	7,809	+9.2%
Total salary costs	€ 14.0 mil.	€ 12.6 mil.	+11.1%

### 2018 Training Program Report

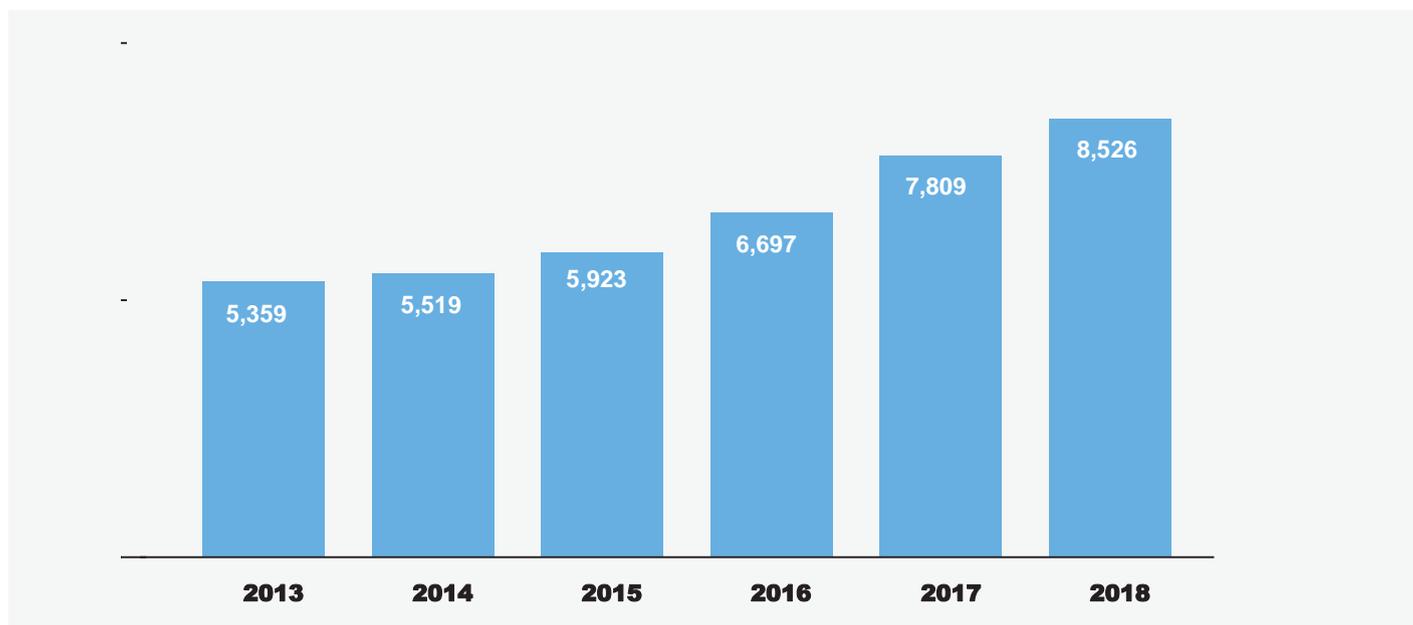
The 2018 training program aimed at the empowering of our human resources, their preparation in order to cope with the new, modern challenges and the improvement of their performance to better contribute to the Company's growth.

For the 2018 training, program, we have set the following goals:

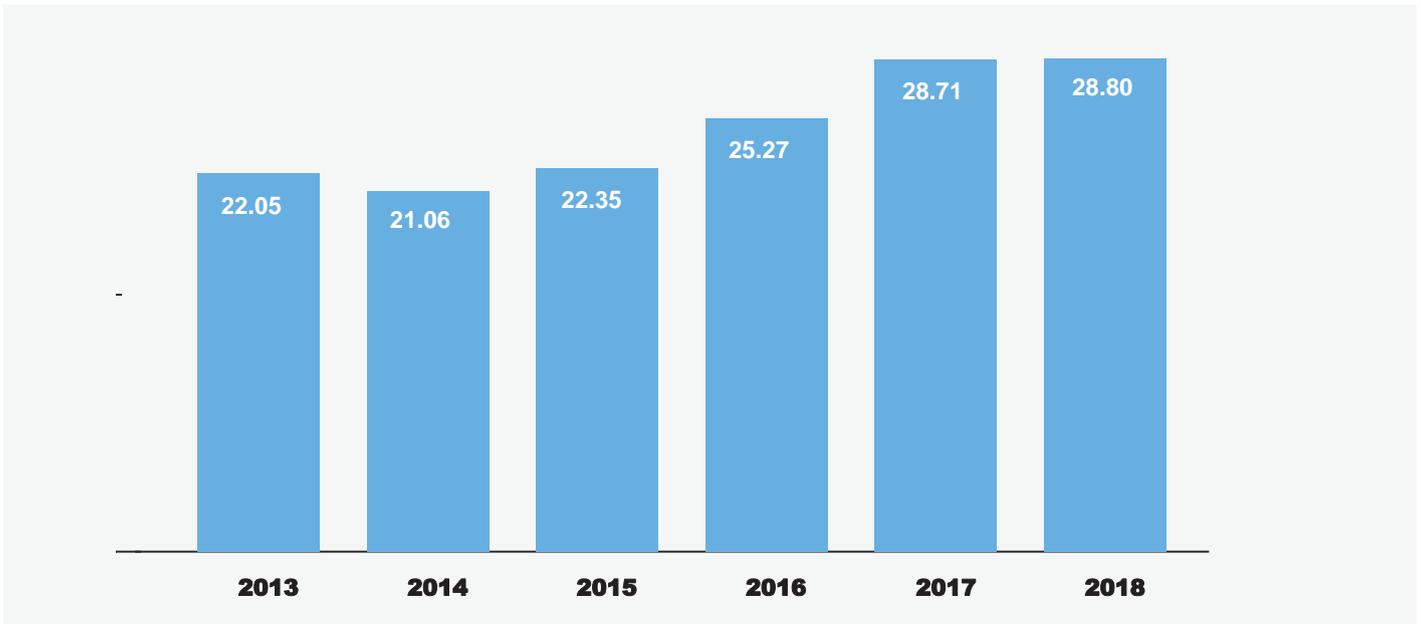
- To respond to the needs, objectives and vision of European Reliance General Insurance Co. S.A.
- To encourage employees to take new initiatives and roles
- To offer practical knowledge and specialization

The total training hours in 2018 amounted to 8,526 hours and presented 9.2% increase comparing to 2017.

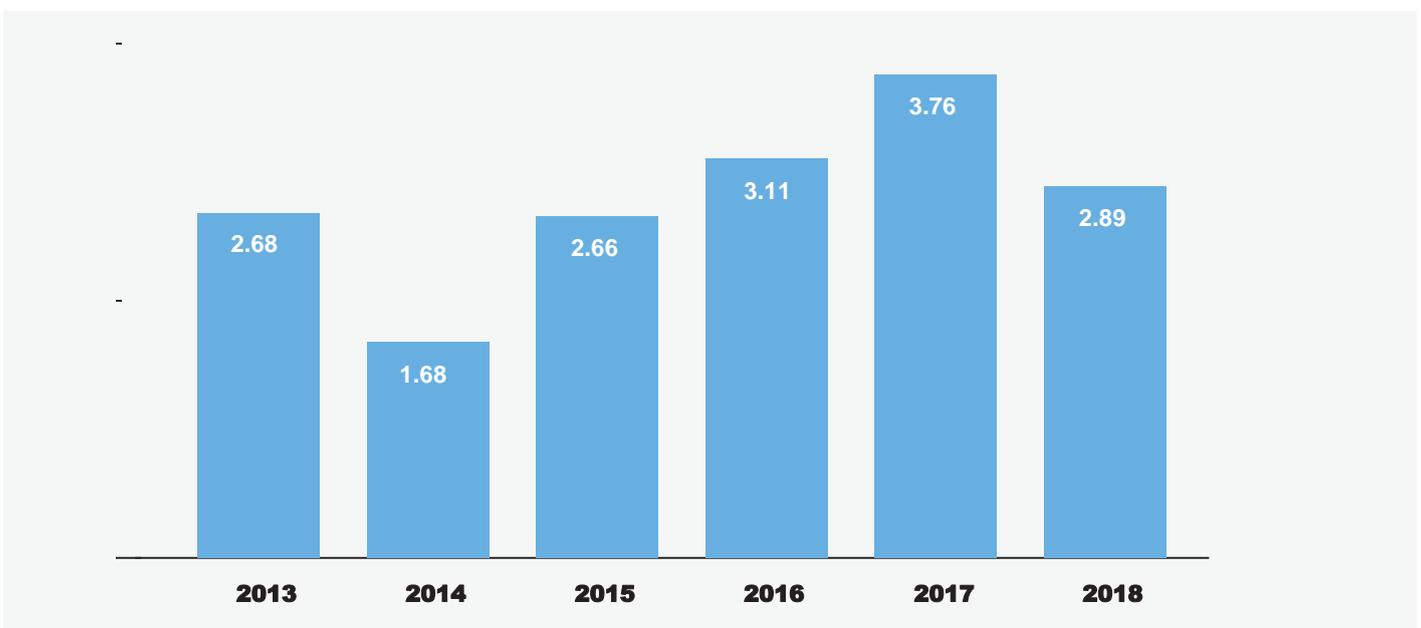
#### Total training hours



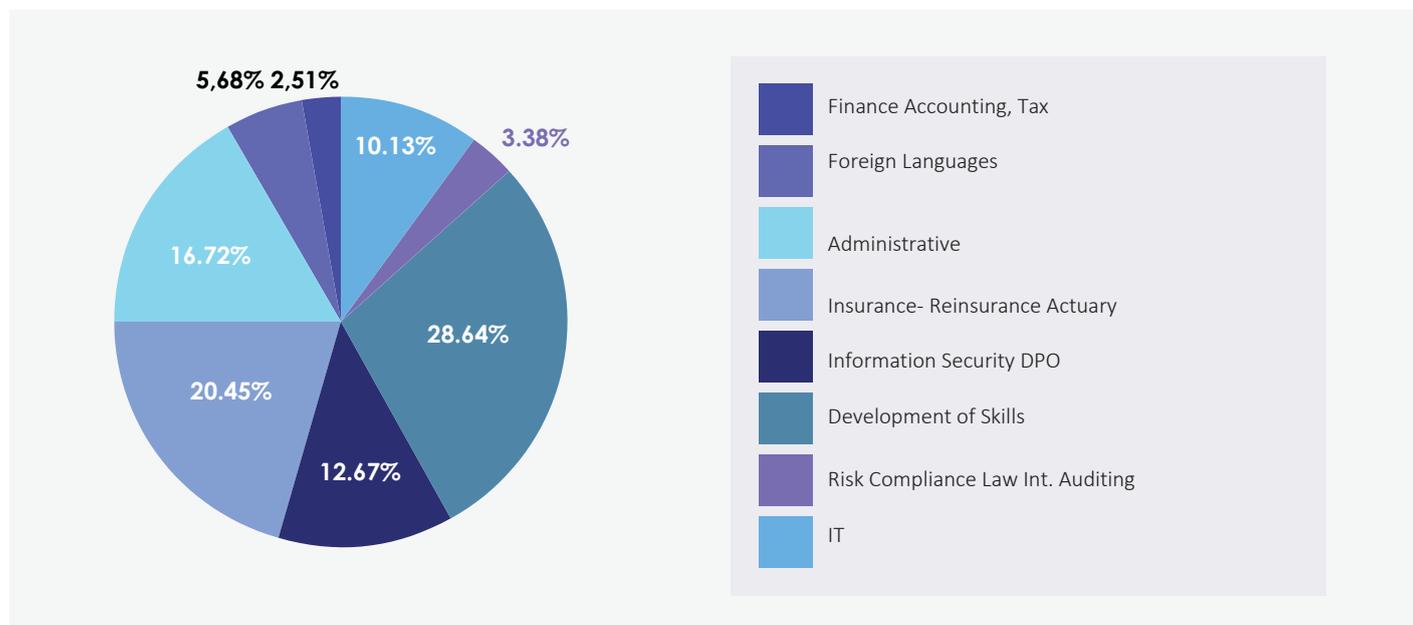
### Average hours of training per employee



### Participations in seminars per employee



## Training Hours per Sector



## Goals of the 2019 Training program

In 2019, the training program will focus on the following goals:

- Development of skills and abilities
- Briefing on all new Regulatory Matters
- Deepening in the knowledge of the insurance market
- Integration of the Company's "Dream" in the organization
- Constant training of the personnel on the specialized regulatory matters, GDPR, IDD, PRIPS
- Training on Information Security and ISO 27001 Certification
- Empowerment of Directors and Head Officers
- Participation of our executives in seminars and conferences abroad to acquire special expertise

## Employees' Social Welfare Activities

In 2018, the social welfare activities of the personnel of our Group of Companies have been of great importance. More specifically, we achieved:

- Participation in the regeneration of the seaside of the Rehabilitation Center for Children with Disabilities in Voula, (formerly PIKPA). Over 70 employees participated in this action of social welfare.
- Collection of food and basic necessities to assist the affected from the catastrophic fire in Mati and Kineta.
- 2 voluntarily blood donations in cooperation with "Laiko" Hospital.
- Seminar by the Association "Hope, Bone marrow Donors" and recruitment of 50 employees as donors in the Worldwide Bone Marrow Donor Registry.
- Social Action in cooperation with the Association of Social Responsibility for Children and Youth (S.K.E.P.).
- Easter Bazaar in cooperation with the Greek Multiple Sclerosis Society.
- Participation in the Spirit of Belron Challenge to fund raise Afrika Tikkun.
- Employees' Participation in the 8th race for breast cancer "Greece Race for the cure".
- Daily collection of plastic caps for the Association "Prevention of Road Accident of Children -Love for Life".
- Christmas Bazaar in cooperation with the voluntary, non-profit child welfare organization "The Smile of the Child".
- Collection of food for the 1st School of Keratsini with children with special needs.

## 4. Environment

European Reliance, as a responsible corporate citizen, perceives the concept of sustainable development as an attempt to create a competitive economy of minor pollutants that uses its resources effectively and takes into account the protection of the environment. The use of new sustainable technologies and audit methods that contribute to the reduction of emissions, is our active participation in the efforts for improvement of the environment, the prevention of biodiversity loss and for ecosystem protection.

More specifically, European Reliance Group of Companies embraces the idea of sustainable development, as defined in the Declaration of the United Nations in Africa in September 2002: "Johannesburg Declaration on Sustainable Development" and as developed in Rio de Janeiro in June 1992: "Rio Declaration on Environment and Development". The initiative for new patterns of corporate behavior is part of our strategy, not a communications plan.

### CO2 Gas Emissions Measurement

For sixth consecutive year our Group meets its obligation toward the community to measure the company's gas emissions produced by its operations. This measurement helps the Group to improve, aiming at targeted actions towards the reduction of these pollutants. The total emissions of the three companies of our Group in 2018 are presented below:

Prices in t CO2 eq.	ELECTRIC POWER	NATURAL GAS	EMPLOYEE TRANSFERS	CORPORATE VEHICLES TRANSFER	PAPER AND TONER	Total
European Reliance General Insurance Company S.A.	771	224	141	19	2.2	1,157
European Reliance Asset Management	23	7	8	1	0.1	39
ALTER EGO S.A.	86	25	5	30	0.1	146
<b>Group</b>	<b>880</b>	<b>256</b>	<b>154</b>	<b>50</b>	<b>2.4</b>	<b>1,342</b>

The consumption of electrical power and natural gas refers to the pollutants produced by the main building of the Group (Europlaza). For 2019, our Company plans the implementation of the ISO 50001:2011 certification on energy management. Therefore, in our next non-financial information report, all the aforementioned measurements shall refer to the total of the Company's real estate (own and rented property).

The total pollutants of the Company increased by 149 tn CO2 comparing to the corresponding period of the previous measurement, mainly due to the increase of natural gas consumption and the transfer of the corporate vehicles.

Moreover, it appears that apart from the measures for the decrease of the buildings' infrastructure (Central Building's Energy Upgrade), the philosophy of the Company's Management has contributed to maintaining the production of emissions to the same low levels, fully accepted and promoted by the personnel and the employees have wholeheartedly accepted and forward these actions.

### Central Building's Energy Upgrade

The decrease of the carbon footprint, within the framework of our efforts to improve our energy profile, has been a real challenge for European Reliance. However, our 2011 investment on the Energy Management and Monitoring Information System for the decrease of the energy consumption per employee has proven to be a very strategic step. More specifically, we have created a personal energy profile for every employee and for every device in our central offices and we have determined our average energy needs. Every energy consuming device has been time programmed to shut down automatically, after the termination of the work shift of the employees.

Since 2011, the effort increased our environmental awareness and reduced the carbon footprint of every working position in the central offices of European Reliance General Insurance Co. S.A. In 2018, we achieved 5% decrease of energy consumption (decrease per 124 kw/ week) G. through the fine tuning (not including the decrease in light consumption). We are very satisfied with these results and we plan to further improve our environmental sensitivity. The aforementioned system is annually modified and is based on the needs of the Group for lower energy consumption and higher performances.

## Investment in Renewable Energy Sources (R.E.S.)

Our Group supports the use of Renewable Energy Sources as a mean of sustainable development and in October 2012 undersigned a contract with the Public Power Corporation (Operator of Electricity Market) to sell the electric power produced by the Group's investment in a fixed equipment of 130 photovoltaic power systems. The creation of this photovoltaic power station on the rooftop of our central building- Europlaza, is part of our actions for the minimization of pollutant power sources and the reduction of the carbon footprint. According to the Operator of the Electricity Market, the total electricity production of the R.E.S. of our Group in 2018 amounted to 12,070 kWh.

## Led Lighting Investment

Within the framework of using Renewable Energy Sources, our Group has committed to replace all traditional lamps in our Central Offices (274 Kifisias Avenue, Chalandri) with energy efficient LED lamps of the new generation. The capital required for the completion of such an investment proves the Company's liquidity ratio and sustainable development, and its ability to guarantee amortization of a big investment.

The energy modernization project in our Group's central offices began in 2012, with the replacement of lamps in two floors, and was completed by the end of 2013 with the total replacement of all lamps (including the outdoor projector lamps). It is estimated that we achieved reduction of the produced carbon dioxide 31 tones/ per year in the atmosphere (according to the GreenHouse Gas Protocol calculation method, where 1 MWh of electrical power consumption produces 0,812 tm CO<sub>2</sub>) and our energy resources conservation amounts to 54%.

The significance of this project is due to the saving of valuable resources, the decrease of the local temperature in the building's central offices, the formation of a better working environment due to improved luminance and the fact that this change directly affected the Group's energy profile, without hindering the working methods of the employees. Since this change had benefited the internal and outdoor spaces of the Organization, it was positively accepted by all employees.

## Water Resources Conservation

Within the Sustainability framework, all socially responsible companies, try to reduce the environmental footprint, with respect to the vulnerable social groups, try to reduce the environmental footprint, aim at the conservation of water resources and the sensitization of all interesting parties.

European Reliance, since the first Sustainability Report (2011), actively participates in the Millennium Development Goals (Water Scarcity Issue).

European Reliance has invested in environmentally- friendly hydraulic facilities and in water supply systems with sensor technology for reduced daily water consumption.

## Recycling

Since 2012, our Group began a recycling program in our central offices and the revenues from the collection and sales of the recycling materials, such as paper, plastic and aluminum, shall be donated to vulnerable social groups (since 2013 the revenues have been donated the Institution "Hope" and since 2016 to Community actions of Green Angels).

The importance of recycling for the employees of European Reliance can be summarized as follows:

- Reduce of waste and minimization of waste management problems
- Energy and natural resources conservation. Long-term reduction or stability of the products' prices, since raw materials' production is not required
- Reduction of air, ground and groundwater pollution
- Save the energy required for the above products and procedures.
- Creation of new working positions in energy sustainability departments
- Through the recycling of 1 tone of paper, we can save 17 trees and 40.000 liters of water, minimize air pollution by 95% and save 130-170 kg of petroleum

European Reliance, since the beginning of the waste management program in 2012, has monthly recycled about 990 kg of various materials (paper, aluminum, plastic). More specifically, in 2018 our Group recycled 20.7 tons and destroyed confidential documents of weighting 1.44 tons. The electrical devices recycled amounted to 0.7 tons.

## European Reliance, a proud member of Green Angels Community

Since 2015, European Reliance is an active member of the first Greek Society of environmentally responsible businesses, under the discrete title "Green Angels". The Green Angels society operates under the auspices of the Ministry of Environment and Energy and Stock Exchange (Athens Tax Office for Commercial Companies).

The goal of this initiative is to reduce the carbon footprint of Greece through constant improvement of environmental performance and the protection of Greek forests.

## Carbon Footprint Neutralization of the Group's Website

The operation of our Group's website consumes electric power and therefore contributes to the emission of greenhouse gases. European Reliance, within the framework of adoption of Sustainable Development practices, wants to have a responsible approach towards the protection of the environment and since 2011 calculates the greenhouse gas emissions caused by the operation of our portal [www.europaikipisti.gr](http://www.europaikipisti.gr) and takes all necessary actions for the protection of the environment, in accordance with the Green- CO2 NEUTRAL SEAL and the certified project 'Dak Psi 3 and 4 Hydropower', with ID: 103000000003083, that operates in Vietnam, in order to carbon neutralize our portal and proudly carry the CO2 Neutral Seal.



## Europlaza Central Heating

Natural gas reduces energy consumption and the carbon footprint of European Reliance General Insurance Co. S.A. Among all conventional fuels, natural gas emits fewer pollutants and contributes to the reduction of greenhouse, acid rain effect, the average fuel consumption and the atmospheric pollution. European Reliance, aiming to create an environmentally friendly profile, has renovated the heat generators of the central building and has invested in modern building insulation materials for the best possible cooling with minimum electric power consumption. In 2015, our Group shielded all of our building facilities, to cover our needs with the least possible energy resources.

In all of our efforts for improvement of the energy profile, we have been supported by our subsidiary Alter Ego Facilities Management and its specialized services (Sustainable Management Solutions).

## Europlaza Building Technical Maintenance

The technical maintenance of our buildings' facilities and the continuous audits applied by our technicians aim at the best performance of the facilities (high profit with less resources). The improvement of our regulations, the immediate record of faulty points and the prompt intervention for their correction, contribute to energy conservation without obstructing the daily rhythm of the company.

Moreover, the subsidiary company, Alter Ego, uses high quality and environmentally friendly cleaning materials certified by ISO:9001, ISO:14001 & OHSAS.

The Ecolabel products are certified and have their own registration date and number.

## Fleet of Corporate Vehicles

The Group owns a fleet of long-term leased vehicles and has selected new technology vehicles, according to the E.U requirements, with low carbon dioxide emissions, low energy consumption and engines with Euro 5 specifications, that can daily circulate in the center of Athens.

### Corporate Leaflets

The majority of the Group's leaflets (100% of the Subsidiary Alter Ego) is certified with FSC and CO2 Neutralseal.

The FSC Certification refers to responsible forest practices and responsible use of products that derive from forests (like wood and paper).

CO2 Neutral Seal is a certification that provides complete transparency to the carbon offset process.

## 5. Responsible and Fair provision of Services

As a responsible corporate citizen, European Reliance aims through its institutional bodies and representatives, to improve the corporate governance practices and the insurance sector's culture. We cooperate with all institutions (Hellenic Management Association, Hellenic Association of Insurance Companies, Direct Payment System) and accepted the Solvency II legislation and the requirements of the Supervisory Authority (Bank of Greece) being fully aware of the responsibilities.

The Group's Management, in order to ensure the responsible and fair provision of services has performed a series of successive actions, including the formation of the Compliance Department.

## 6. Consumer Issues

The Compliance Department ensures that the operations of the insurance company are in full compliance with the applicable legislation and the regulatory decisions. Compliance is applied in all sectors of European Reliance as a corporate culture standard, enhances our corporate identity, is part of our philosophy and a commitment of the Company's Management. The Regulatory Compliance is based on the 4 following pillars that contribute to our Company's Responsible provision of equitable services:

- Security of the financial system
- Business Ethics
- Market Integrity
- Customers' Interest.

Moreover, our Group pays great attention to the received complaints, and apart from the Policies and procedures established for their most effective management, has additionally established a Complaints Committee. The Complaints Committee meets for the collection of information for the common causes of complaints, to draw conclusions, create and observe a plan of corrective actions for the limitation of the complaints and their impact on the quality of the company's provided services to the customers.

In European Reliance we are completely centered in our Customer's needs. For this reason, European Reliance has 4 different Departments that operate with sole objective the customers' service:

- **Customer Service:** The Department aims at the smooth absorption of products and services by our customers and solves possible problems. It provides information, resolves problems and assures high levels of satisfaction among our customers.
- **Call Center:** The Department communicates with customers in order to present and inform them about our Company's products.
- **Bancassurance:** The Department manages insurance products and products of alternative networks, according to the Company's and the Banking Institutions' policies defined by special contracts that ensure their proper compliance.
- **Bank- Analytical CRM:** The Bank Office- Analytical CRM Department organizes the planning and application of our strategy, the retention and expansion of the Company's customer base, through the proper use of the CRM Management resources.

Customer care is part of the Group's corporate behavior. The precise and honest update of our present and future customers consists one of the main priorities of European Reliance. Additionally, to the compliance with the legislative framework and the trading practices, European Reliance applies an internal code of business conduct in all stages of creation, product promotion and customer service.

Every customer is an integral part of the productive process of the Group, a fellow and a working partner. Our philosophy is not only expressed in our motive "It pays immediately", but it is applied in our daily actions.

In European Reliance the customer's satisfaction is our first priority and the greatest measure of success. Therefore, the Group's quality policy is based on the complete satisfaction of the customers, in all of their transactions, and in the continuous quality improvement of our provided insurance services, to fully cover our customers' insurance needs.

In 2018, according to the annual audit by the certification body TUV NORD, European Reliance successfully completed all the required actions and received the ISO 9001:2015 certification. This certificate totally complies with the objectives of the Group, to retain its name as a synonym of high quality in the provision of insurance services and to remain one of the top Organizations in the insurance market.

Moreover, European Reliance follows the UN guidelines for consumer protection, as they were formed and agreed initially in 1985 and as they were enhanced in 1999 with the expansion of the Sustainable Consumption. We embrace the promotion and protection of the consumer's financial interests, create a framework that allows consumers to make informed choices, forward consumer's information and promote the principles for sustainable consumption.

European Reliance ensures that the promote of our products and services is performed with precision and with respect to the public.

For this reason, we apply a fair marketing strategy, without false statements, term inconsistencies or concealment of truth.

This obligation consists an integral part of our business ethics of our Group and a commitment to any of our contracting parties.

In 2018, European Reliance invested in the sincerity and transparency in the communication with the public (in television and digital media advertisements and in "below the line" actions).

Moreover, our Group fully acknowledges the enormous potential of the Internet. Through the incredible amount of information available in the website of our Group, social networks, and domains, every consumer has the opportunity to make comparisons, start discussions and conclude to the best suitable product or service.

Through this process, we aim to start an open dialogue with our current and future customers, improve our performances and become better listeners.

In May 2018, in cooperation with seven Departments of the Company (Customer's Services, Call Center, Regulatory Compliance, Legal Service, Marketing, Procedure Management and CRM) we conducted annual research on customer's satisfaction. The results did once again confirm the solvency and credibility levels of the Company. A few of the research's most significant findings are the following:

- 92% of our customers remains extremely satisfied by the total of our services (88% in 2017)
- 92% of our customers believes that have an insurance program that covers all of their needs (86% in 2017)
- 94% of customers believes that the Company's insurance agent is almost always available and willing to provide consulting services (94% in 2017)
- 87% of our customers are very pleased with the claims procedure (83% in 2017)
- 95% of our customers would recommend our Company and 96% would recommend our insurance agent to new customers (97% and 96% in 2017)

## 7. Social Responsibility Actions

The objective of our Group of Companies as a responsible corporate citizen, is the extension and the strengthening of our social responsibilities through actions that enhance social cohesion. Especially nowadays, that the citizens of Greece experience the consequences of the economic crisis, it is our responsibility to strengthen social institutions and promote collective actions.

European Reliance, along with the main business activities, aims to contribute to our society. We set high standards for corporate social actions through the continuous cooperation with various local organizations and we contribute to the improvement of living standards, by combating social exclusion.

Thought the development of special mechanisms and procedures, our Group registers and prioritizes issues related to Corporate Social Responsibility, depending on their importance for the Interested Parties, the external Environment. Our actions as a responsible corporate citizen derive from open debates, the effort for communication and are subject to constant evaluation and reviews.

Regarding the corporate social responsibility, we follow the 8 Millennium- Goals (as mentioned above in Section 2 Human Rights).

The method to achieve the aforementioned goals requires certain policies and the decision to proceed to cooperation with a social institution depends on its values, unique knowledge, special abilities and the Company's resources. One of the common characteristics and our goals for the future is the elimination of human suffering and its consequences.

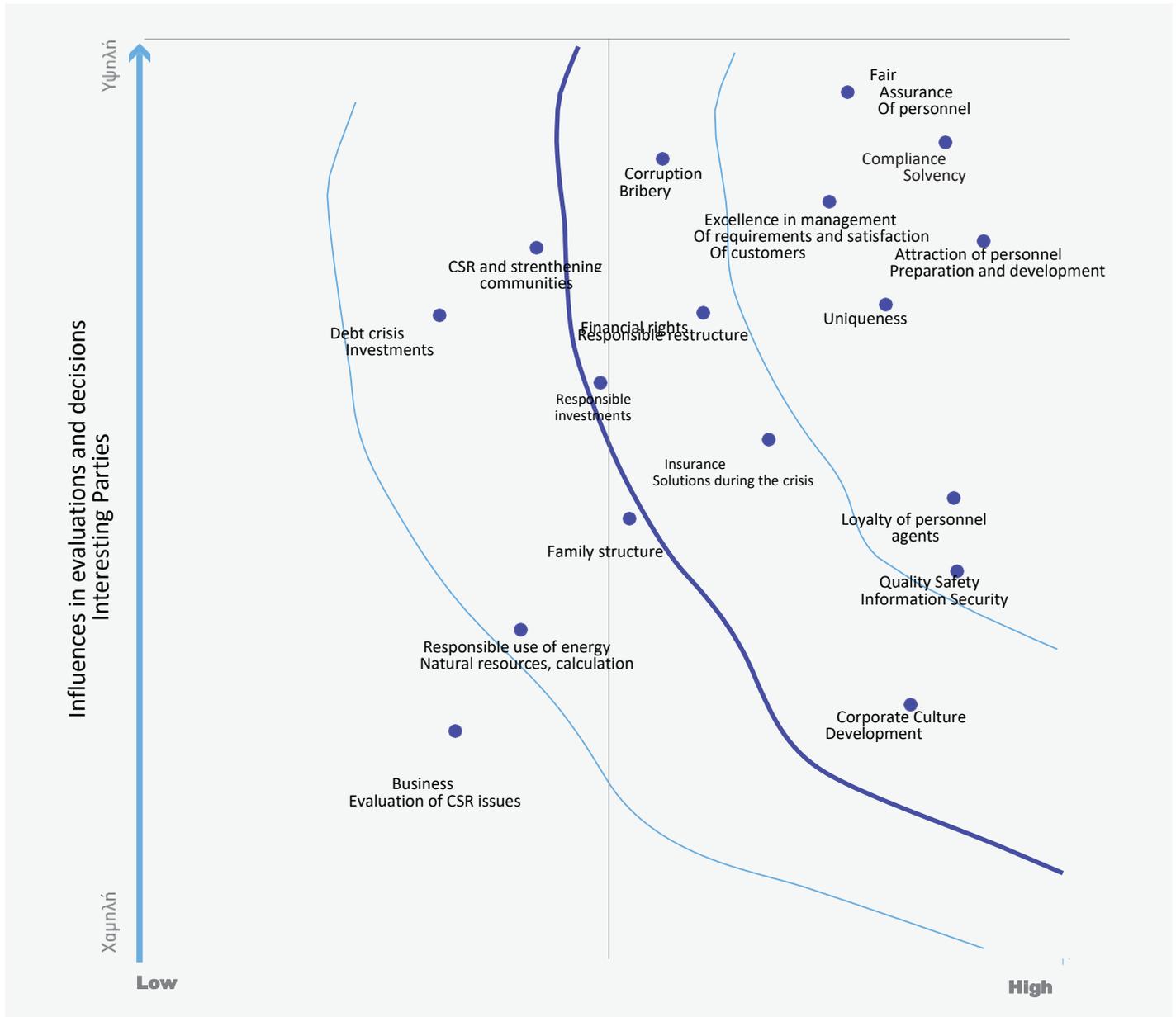
In 2018, we completed 73 actions of corporate social responsibility, some, of which are:

- Regeneration of the seaside of the Rehabilitation Center for Children with Disabilities in Voula, former PIKPA with the contribution of the Group's personnel.
- Donation of first aid materials and financial assistance to the affected from the fire in Mati.
- Financial strengthening of the employees injured by the fire in Mati.
- Donation and support of the ceremony NGFL of the Arc of the World in Diplareios School and donation of an amount and insurance policies for the actions of the Act of the World.
- Support of all efforts of the Scientific, Civil-Society, Non-Profit Organization for Breast Cancer E.M.E.I.S.
- Donation to the Youth Smile Awards organized by the Smile of the Child.
- Donation in the Association of Women with Breast Cancer.
- Donation to the Road Traffic Police for the presentation of the program "Road safety education in schools".
- Donation to the employees of the Elefsis Shipyards for the cover of basic needs.
- Donation to the organization CRETAN ASTRONAUT
- Donation to the Greek Scouts.
- Donation to the theater team of homeless people Walkabout.
- Donation to the Greek Insurance Brokers Association.
- Donation to the Hellenic Actuarial Society.
- Donation to the ceremony for the celebration of the 80 years of operation of the Hellenic Association of Insurance Companies.
- Donation and support of the TEDEX event of the Athens University of Economics.
- Donation to the European Organization for Public Law.
- Donation to AIESEC of the Athens Kapodestrian University.
- Donation to the University of Crete for the cover Of needs.
- Donation and support for the program "Business in Action" of the National and Kapodistrian University of Athens

- Donation in the event “2018 Quality Days” of the University of Piraeus.
- European Reliance supports actions and programs that forward education and culture. Over the last 3 years and along with the assistance of IT Department, the Company has assisted the modernization of 43 schools - associations by donation of IT equipment or monetary assistance.

## Table for Sustainability Material Issues

The material issues were highlighted in discussions with representatives of the interested parties of the company’s internal operations. These issues define the business orientation and the sustainability factors of the Group and affect the expectations, decisions and actions, as the interesting parties estimate that these may have financial, social and environmental consequences on the Group’s activities.



## Contribution to the 17 UN Sustainable Development Goals

Through our actions, the Group actively contributes to the following sustainable development goals of the United Nations:



Through the commitment for continuous support of the Non-Governmental Organizations operating for the protection of vulnerable social groups, including the protection of children.



Through the commitment for continuous support of the Non-Governmental Organizations operating for the provision of food to vulnerable social groups.



Through the campaign for decrease of road accidents caused to alcohol consumption. Through the promotion of sports. Through the benefits and group insurance of the employees. Through the promotion of healthcare services.



Through the provision without exclusions of fair and qualitative education and via the life-long learning programs. Through the strengthening of the educational programs and programs that promote the entrepreneurship of state universities and other organizations as well as the provision of awards to students. Through the provision of material equipment to schools.



Through defending the equality of genders at work and ensuring the creation of equal opportunities for women in top managerial positions and in decision taking.



Through the system of water management in our building facilities and through the project of neutralization of carbon emissions in a project in Vietnam.



Through the establishment of photovoltaic power systems in the rooftop of our central building and replacement of lamps in the Group's facilities.



Through the orientation of the Group towards development, creation of working positions for all, creativity and innovation. Through the support in start-up businesses. Through the support and integration of people with disabilities. Through the financial strengthening for the cover of expenses of students from universities abroad.



Through the investments in innovative solutions and cooperation with other organizations for the promotion of research and technology.



Through the offer of competitive provisions to the employees. Through the assurance of provision of equal opportunities and avoidance of any form of discrimination at work.



Through the practices of our Group for employees' transfer to and from their working place. Through the strengthening of actions and events that promote cultural heritage. Practices applied for management of waste.



Commitment of our Group for the proper use and protection of natural resources. Decrease of the production of waste through prevention, decrease and recycling. Publication of our performance on sustainability issues.



Promotion of Education and awareness on issues of climate change, decrease of impact and responsible corporate culture.



This Goal has not been implemented by our Group.



Use of paper certified for the responsible forest practices and responsible consumption of products deriving from the forest (wood, paper) for corporate leaflets.



Minimization of any form of corruption and bribery and promotion of transparency in all business relationships of the Group. Protection of freedom and implementation of the Code of Conduct.



Implementation of commonly acceptable frameworks and guidelines for the sustainable development and cooperation for the promotion of good sustainability practices.

- The assurance of sufficient transparency levels and proper audit procedures with the contribution of four independent Key Functions (Risk Management, Internal Audit, Compliance, Actuarial Function).

Within the framework of Corporate Governance, European Reliance General Insurance Co. S.A., aims to implement best practices in the functions of the Organization, including also voluntary commitments of the Company, as a result of its business ethics. European Reliance General Insurance Co. S.A. as a Société Anonyme (S.A.) listed on the Athens Stock Exchange implements the principles and practices of corporate governance of the Greek Legislation and partially applies the Hellenic Corporate Governance Code on the listed companies, as published in the official website of the Athens Stock Exchange. Moreover, the four independent key Function of Internal Audit, Risk Management, Actuarial Function and Compliance contribute to the best possible function in the new legislative environment of Solvency II Directive.

The philosophy and culture governing the Statement of Corporate Governance are imprinted in a series of regulations and policies, such as the Internal Regulation of Corporate Governance and Operation, the Corporate Code of Conduct, the Compliance Policy, the Internal Audit Policy, the Policy of Conflict of Interests, the Remuneration Policy, etc.

## The Board of Directors

The Board of Directors is the highest administrative body of the Company, forms the strategy and development policy, monitors and supervises the Company's asset management. The Board makes decisions, monitors all of the Company's activities and constantly supervises the Company's executives assigned with relevant executive responsibilities by the Board of Directors or according to the organization chart.

The powers and responsibilities of the Board of Directors are described in its Articles of Association.

Any matter relevant to the remuneration of the Company's Executive Directors, Internal Auditors, or the overall remuneration policy of the Company, are determined by the Corporate Governance, Remuneration and Nomination Committee.

The Board of Directors is composed of nine (9) members, executive or non-executive. The executive members are responsible for the Company's daily management matters. The non-executive directors are responsible for promoting corporate matters. The number of non-executive Board members shall not be less than 1/3 of the total number of Board members, and if there is a fraction, it should be rounded to the next integer.

## Statement of Corporate Governance

According to the provision of paragraph 1 of article 43bb of C.L. 2190/1920, the Annual Management Report of the Board of Directors of European Reliance General Insurance Co. S.A. (hereinafter "The Company") prepares a Statement of Corporate Governance for fiscal year 2018.

Corporate Governance refers to the total of principles and practices adopted by European Reliance in order to ensure its performance, and the interest of the insured, shareholders and stakeholders.

The Company's System of Governance is based on the principles of Corporate Governance to achieve the Company's prudent and effective management, through the efficient utilization of all available productive resources and transparency in all corporate functions to preserve the long-term interest of all of the Company's shareholders. Corporate governance has a positive contribution to the Company's performance and focuses on the following units:

- The Board of Directors and the executive Management in terms of the rate of the independent members, the composition of the Board Committees, the BoD assesment Procedure, the responsibilities of the Chairman and the Chief Executive Officer.
- The shareholders' rights (one share-one vote principle)

There must be at least 2 independent members among the non-executive members. The identity of the executive or non-executive BoD member is defined by the Board of Directors. The independent members are appointed by the General Meeting of Shareholders. If the Board of Directors elects a temporary member up to the first General Meeting of the Shareholders, as a deputy of another independent member that resigned, was absent, or for any reason was deprived of his rights, the elected member must also be independent. During their term of office, the independent non-executive Board members should not own shares representing over 0.5% of the Company's share capital and must not be engaged in a dependency relationship with the Company, or with related persons, within the meaning of Art. 4, par. 1 of Law 3016/2002.

In 2018, the Board of Directors had fourteen (14) ordinary meetings.

Full Name	Independent Member	Participation in Ordinary BoD meetings
Stavros Lekkakos, Chairman	No	11/14
Nikolaos Chalkiopoulos, Vice Chairman	No	14/14
Christos Georgakopoulos, CEO	No	14/14
Stefanos Verzovitis	No	14/14
Christopher Poullos	Yes	13/14
George Konstantinidis	No	13/14
Eric Sharp	No	14/14
George Diamantopoulos	Yes	13/14
Keith Morris	Yes	12/14

The Management of European Reliance General insurance Co. S.A. takes actions for the enhancement and strengthening of the diversity of the administrative and supervisory bodies.

## Board Members

(Based on the latest General Meeting of Shareholders on 22/05/2018)



**Left to right, front row:** Stefanos Verzovitis, Stavros Lekkakos, Christos Georgakopoulos, Nikolaos Chalkiopoulos

**Left to right, back row:** George Diamantopoulos, George Konstantinidis, Keith Morris, Christopher Poullos, Eric Sharp

## **Stavros Lekkakos**

### **Chairman of the Board of Directors**

#### **Non-Executive Board Member**

Mr. Stavros Lekkakos is the Chairman of the Board of Directors of European Reliance General Insurance Co. S.A. and a Board and Audit Committee Member in B&F & Garment Industries S.A. He began his career in American Express Bank and after 25 years having successfully reached the position of the Vice President, he moved to Piraeus Bank. For many years he was a BoD member, Chief Executive Officer and CEO, Vice Chairman of the Board of Directors of Piraeus Bank and President of the Executive Committee of the Piraeus Bank Group. He has also been the President and CEO of Piraeus Bank Romania and other subsidiaries of Piraeus Bank in Greece and abroad. After Piraeus Bank, he became a Chairman of the Board of Directors in Marfin Investment Group. He has a Degree in Finance from the University of Athens and an honorary degree of Doctor of Business Administration (Hon DBA) from the University of Bolton. He is a member of the American-Hellenic Chamber of Commerce and a founding member of the Business Councils: Greece – Kuwait, Greece - Qatar, Greece - United Arab Emirates and Greece -Saudi Arabia.

## **Nikolaos Chalkiopoulos**

### **Vice Chairman- Executive Board Member**

Mr. Chalkiopoulos has an extensive experience in the insurance industry as Executive Director in Insurance companies. He joined European Reliance General Insurance Co. S.A. in October 2002 and since 2005 holds the position of the Chief Insurance Operations Officer. He has a Degree in Mathematics from the National and Kapodistrian University of Athens and is a member of the Hellenic Actuarial Society, FHAS.

## **Eric Sharp**

### **Non-Executive Board Member**

Mr. Sharp has extensive experience in the fields of General Commerce, Finance and Shipping in Greece and abroad. He joined European Reliance in September 2002 and today holds the position of the Director of Retail Offices Administration.

## **Christos Georgakopoulos**

### **Executive Board member**

Mr. Georgakopoulos is the founder and Chief Executive Officer of European Reliance General Insurance Co. S.A. since its first establishment. He has Degrees in Law and Economics from the Panteion and Aristotle University and has extensive experience in Sales and Marketing. He is the Chairman of the Board of Directors of the subsidiaries of European Reliance, European Reliance Asset Management M.F.M.S.A & Alter Ego Facilities Management S.A.

## **Stefanos Verzovitis**

### **Executive Board Member**

Mr. Verzovitis has an extensive experience in companies, such as Ziridis School, Onassis Cardiac Surgery Center, Johnson & Son and Michelin Automotive Tires. He joined European Reliance General Insurance Co. S.A. in October 2000 and today holds the position of the Chief Executive Officer. He has a Degree in Economics from the Athens University of Economics.

## **George Konstantinidis**

### **Non-Executive Board Member**

Mr. Konstantinidis has been active in the establishment, administration and shareholding of businesses such as Centropell GMBH Frankfurt, Novus Finance S.A., Astropell S.A.- G.M.B.H., Kiapell GMBH and CPL S.A. He joined the Board of Directors of European Reliance in 2000 and since 2007 he is the Chief Executive Officer of the subsidiary company Alter Ego Facilities Management S.A.

## **George Diamantopoulos**

### **Non-Executive, Independent Board Member**

Mr. Diamantopoulos is the Chairman of the Board of Directors of the Hellenic Corporation of Assets and Participations and Deputy Chief Executive Officer of Resoul Hellas S.A. He is the Chief Executive Officer of Sponsor Value Hellas S.A. He has over 30 years of experience in consumer goods companies. In 1988 he worked in Kraft Foods (prior Jacobs Suchard Pavlides) and since 1997 he was the Area Director responsible for the area of the Balkans. In European Reliance he holds the positions of President of the Audit Committee, President of the Corporate Governance, Remuneration and Nomination Committee and is a Member of the Risk Management Committee.

## **Keith Morris**

### **Non-Executive, Independent Board Member**

Mr. Morris has a Degree from the University of Manchester in Management Sciences with specialisation in Finance and Marketing. He has extensive experience in companies including HSBC, Citibank and IBM. He has held a number of Chief Executive Officer level appointments in Eagle Star Insurance, AIG Europe, Euler Trade Indemnity and RBS Insurance. He has been a Non-Executive Board member in several companies including Standard Life Assurance Company. He is currently Deputy Chairman of the Supervisory Board of Sava Re, a Slovenian group.

## **Christopher Poulios**

### **Non-Executive, Independent Board Member**

Mr. Poulios has a Degree from the Athens University of Economics (formerly Athens University of Economics and Business) and has been Director of the Accounting Department in various insurance companies from 1968 to 2000.

# Administrative Bodies

## General Meeting of Shareholders

The General Meeting of Shareholders is the highest administrative body of the Company. It is entitled to make decisions on business affairs, unless it is otherwise specified in the Articles of Association.

The General Meeting of Shareholders is convened by the Board of Directors and meets in the Company's registered offices or in the region of another municipality within the prefecture of the registered offices or another neighbor municipality of the registered offices, at least on an annual basis, and the latest within six months after the end of the fiscal year, and extraordinarily, if this is found necessary.

With the exception of the repetitive meetings, the invitation of the General Meeting of Shareholders must be published twenty (20) days before the day of the meeting. The complete invitation is published within the above deadline in the Company's website in a way that ensures the fast and non-discriminatory access.

Any shareholder that can prove his/her identity may participate in the General Meeting of Shareholders. Shareholders that are legal entities may participate in the General Meetings via proxies.

The General Meeting of Shareholders is in quorum and meets on the subjects on the agenda, when the participants are shareholders, or their representatives are equal to 1/5 of the paid share capital.

If there is no quorum, the General Meeting of Shareholders convenes again within twenty (20) days since the date of the canceled meeting, after the disclosure of the invitation at least ten (10) days before. In the repetitive meeting, the General Meeting of Shareholders is in quorum and convenes promptly on the subjects of the daily agenda, regardless of the represented part of the paid share capital. A new invitation is not required, if in the initial invitation the place and time of the repetitive meeting is included, provided that the time period of at least five (5) working days interferes between the canceled meeting and the repetitive meeting.

The General Meeting of Shareholders takes decisions with the total majority of the represented votes. The decisions provided in paragraph 3 of article 29 of CL. 2190/1920 are made with 2/3 majority of the votes represented in the General Meeting of Shareholders.

The General Meeting of Shareholders decides for all submitted subjects and is the only administrative body responsible to decide for:

- a) Amendments in the Articles of Association. As Amendments we consider the ordinary or extraordinary increase and decrease of the share capital.
- b) Election of the Board members and the certified auditors.
- c) Approval of the total management, according to art. 35 of CL. 2190/1920 and exemption of the auditors
- d) Approval of the annual and consolidated financial statements.
- e) Distribution of the annual profit
- f) Mergers, dissolution, conversion, revitalization, extend of the duration or liquidation of the Company and
- g) Appointment of the liquidators.

The Shareholders of the Company representing at least 1/20 of the paid share capital are entitled to request the audit of the Company from the competent Court of the region where the Company is registered.

The Shareholders of the Company representing 1/5 of the paid share capital are entitled to request from the competent Court the audit of the Company, if the Company does not apply sound and prudent management in its business activities. This provision does not apply when the requested minority is represented in the Company's Board of Directors.

The applicant shareholders ought to prove their shareholder's identity and the number of shares owned at the performance of their rights. Such proof may be the deposit of shares, according to the provisions of paragraph 2, art. 28 of CL. 2190/1920 was in force. To the degree that the Company owns listed shares on a regulated market, the shareholder may prove the identity via any legal means and based on the update that the Company receives from the Central Securities Depository, if it provides registry services or otherwise via the participating and registered in the Central Securities Depository intermediaries.

## Board of Directors Committees

The Board of Directors has assigned to the following Committees special matters with special competencies:

### 1 Investment and Asset & Liability Management Committee (ALCO)

The Investment and Asset & Liability Management Committee consists of five members and includes two (2) executive Board members of the Company, two (2) members who represent European Reliance Asset Management M.F.M. S.A. and one (1) independent member with background in Finance.

The main responsibilities of the Investment and Asset & Liability Committee is the update of the Investment Policy Statement (IPS), the proposal for amendments for the Asset Allocation Strategy and the acceptable deviation limits to the Board, the decision taking for the Ordinary Assets Allocation, the monitoring and assessment of the portfolio performance with reference to its benchmark, the balanced asset allocation, according to the future liabilities of the Company, etc.

The Investment and Asset & Liability Management Committee consists of the following members:

- Mr. Nikolaos Chalkiopoulos, Vice Chairman of the Board of Directors and Chief Insurance Operations Officer of the Company,
- Mr. Stefanos Verzovitis, Executive Board member and Chief Financial Officer,
- Mr. Ilias Lakkos, Chief Economist of Piraeus Bank Group,
- Mr. Thomas Konstantinidis, Chief Executive Officer of European Reliance Asset Management M.F.M.S.A.
- Mr. Dimitris Antonopoulos, Portfolio Manager of European Reliance Asset Management M.F.M.S.A.

The Investment and Asset & Liability Management Committee (ALCO) convened 13 times in 2018.

## 2 Audit Committee

The Audit Committee consists of at least three (3) non-executive Board members, the majority of which is independent. All members are appointed by the General Meeting of Shareholders have adequate knowledge of the Company's sector of activities and at least one of the members must have sufficient proven knowledge in accounting and auditing matters. The President of the Audit Committee must be an independent, non-executive member, appointed by the Committee's members. The project of the Committee is the supervision of the Internal Auditors of the Company, the overview of the published financial information, the audit and evaluation of the systems of internal audit, the assessment and coordination of the audit function and procedures, based on the applicable legislation governed by the Company and the proposal to the General Meeting of Shareholders for the selection of the Certified Public Accountant for every fiscal year.

The Audit Committee operates according to a special regulation, which is part of the Company's Internal Regulation of Operation. The regulation of the Audit Committee is approved and revised by the Board of Directors. The Audit Committee meets at least four times a year.

The Audit Committee consists of the following members.:

- Mr. George Diamantopoulos, Independent, Non-executive Board Member (President of the Committee)

- Mr. George Konstantinidis, Non-Executive Board Member
- Mr. Christopher Poullos, Independent, Non-Executive Board Member

The Audit Committee convened 12 times in 2018.

## 3 IT Steering & Digital Transformation Committee

The IT Steering & Digital Transformation Committee is a Special Coordinating Committee for Information Technology, comprised of representatives from the Board of Directors and the IT Department of the Company.

The Committee aims at ensuring the achievement of corporate objectives by assessing the needs of internal services, the sales network, suppliers, etc., taking into consideration the relevant circumstances (environment, resources, restrictions, laws) and the available options.

The main responsibilities of the IT Steering & Digital Transformation Committee is the overview, identification, and assessment of short-term and medium-to-long-term IT projects, the approval of big IT projects, the follow up with the budget of the IT Department, the approval and supervision of cooperation with third parties (e.g. outsourcing), the overview of the adequacy of the available resources of the IT Department and the contribution to their allocation, the support in the development and materialization of the corporate program "Information Security Management Program", etc.

The IT Steering & Digital Transformation Committee consists of the following members:

- Mr. Nikolaos Chalkiopoulos, Vice Chairman of the Board of Directors and Chief Insurance Operations Officer,
- Mr. Stefanos Verzovitis, Executive Board member and Chief Financial Officer
- Ms. Chrysoula Anagnostopoulou, Director of the IT Department,
- Mr. Fotis Kanellopoulos, Deputy Director of the IT Department,
- Mr. Panagiotis Georgiou, CEO's Office Director

The It Steering Committee & Digital Transformation Committee convened 10 times in 2018.

## 4. Risk Management Committee

The Risk Management Committee (RMC) consists of members with sufficient knowledge and experience in the field of risk management. The President of the Committee must have the necessary knowledge and expertise to complete the tasks. The Committee consists of at least one executive and one non-Executive Board Member.

The Board assigns to the Risk Management Committee (RMC) responsibilities relevant to the management of risks so that all forms of risks are effectively monitored, including the operational and insurance risk, so that their integrated control, their specialized handling and the required coordination for the insurance company are ensured.

The Risk Management Committee consists of the following members:

- Mr. Nikolaos Chalkiopoulos, Vice Chairman of the Board of Directors and Chief Insurance Operations Officer, Actuary, FHAS (President of the Committee),
- Mr. Stefanos Verzovitis, Executive Board member and Chief Financial Officer,
- Mr. George Diamantopoulos, Independent, Non-Executive Board Member
- Ms. Eleni Tarapatsopoulou, Director of the Actuarial Function & Actuary FHAS
- Mr. Apostolos Papachristos (FIA - CERA).

The Risk Management Committee convened 5 times in 2018.

## 5. Corporate Governance, Remuneration and Nomination Committee

The Corporate Governance, Remuneration and Nomination Committee is active in the four following pillars of corporate governance:

- Introduction and monitoring of the implementation of the Remuneration Policy,
- Nomination of the Board members,
- Board of Directors self-assessment procedures,
- Compliance with the corporate governance principles and the applicable legislation.

The Committee consists of at least three (3) Members, in their majority non-executive and independent Board Members, that have the required expertise and experience. The President of the Committee has adequate knowledge and professional experience in Corporate Governance and Risk Management matters.

The Corporate Governance, Remuneration and Nomination Committee meets on a semi-annual basis and has extraordinary meetings, when it is considered necessary.

The Corporate Governance, Remuneration and Nomination Committee consists of the following members:

- Mr. George Diamantopoulos, Independent, Non-Executive Board Member
- Mr. Christopher Poullos, Independent, Non-Executive Board Member
- Mr. Chris Georgakopoulos, Chief Executive Officer, Executive Board Member

The Corporate Governance, Remuneration and Nomination Committee convened 3 times in 2018.

## 6. Complaints Committee

The Board of Directors of the Company puts special emphasis on the received complaints and in order to ensure their proper management has established the Complaints Policy, special procedures and the Complaints Committee. The Complaints Committee consists of the Head Officer of the Complaints Management Function, the Head Officer Deputy, the Chief Financial Officer, the Complaints Management Officer, the Internal Audit Director and the AML Officer.

The Complaints Committee convenes meetings on a semi-annual basis to analyze the common causes of complaints, to draw conclusions, create and observe the plan of the corrective actions for their limitation and decrease their impact on the quality of the provided services of the Company to the customers.

The Complaints Committee consists of the following members:

- Mr. Nikolaos Chalkiopoulos, Vice Chairman of the Board of Directors and Chief Insurance Operations Officer (Head Officer of the Complaints Management Function)
- Mr. Panagiotis Georgiou, CEO's Office Director
- Mr. Stefanos Verzovitis, Executive Board member and Chief Financial Officer
- Mr. Kyriakos Dikoglou, Customer Service Officer-Complaints Management Officer
- Mr. Stylianos Malamos, Internal Audit Director
- Ms. Katerina Papadopoulou, Compliance Officer.

The Complaints Committee convened 2 times in 2018.

## Ability and Ethics Requirements

In order to ensure the Company's sound and prudent management by the appropriate persons and to strengthen the protection of the insured and stakeholders, the Company has established and applies the present Policy and Procedures for the Assessment of the persons responsible for the key functions.

The Policy has been established in order to define the principles and criteria based on which the responsible persons will be assessed regarding their ability to adequately perform their tasks.

The term “responsible persons” refers to the members of the Board of Directors, the Appointed Actuary, the Risk Manager, the Internal Audit Officer, the Compliance Officer, any person with special duties based on the applicable legislation, as well as any person with major auditing or administrative role, or with duties that may essentially affect the Company’s management.

The responsible persons are assessed for:

- a. Honesty, integrity and good reputation.
- b. Professional training and market experience.
- c. The adequacy of the knowledge in relation to the tasks to be undertaken.
- d. The non-existence of incompatibility or conflict of interest with the tasks to be undertaken.

The appropriateness and credibility of the Board members is annually reviewed with the Self-Assessment Procedure, under the supervision of the Corporate Governance, Remuneration and Nomination Committee. The appropriateness and credibility of the rest of the “Responsible Persons” is annually reviewed within the context of the Annual Assessment of Performance and Target Setting of the Human Resources Department.

## Independent Key Functions

### Actuarial Function

The Actuarial Function coordinates the calculation of the Technical Provisions, gives opinions on the Underwriting and Reinsurance Policies and contributes to the Risk Management.

#### Mathematical Reserves and Technical Insurance Provisions

The Actuarial Function calculates the technical provisions of the Company by implementing special methodologies and procedures. Ensures the appropriateness of the methods and models used, as well as the assumptions and assertions on which the calculation of the technical provisions is based. For this purpose, it develops various calculation scenarios justifies variations between two successive valuation dates and compares the calculations with the empirical observations.

Evaluates the sufficiency and quality of data used in the calculation and prepares proposals of changes to internal procedures for the improvement of data.

#### Opinion on the Underwriting Policy

The Actuarial Function provides its opinion on the Underwriting Policy. Assesses the sufficiency levels of the premiums, based on the current experience through regular audits. Reports cases where the premiums do not cover the expenses, claims and guarantees.

#### Opinion on the Reinsurance Policy

The Actuarial Function provides its opinion on the Reinsurance Policy, reporting cases where the reinsurance policy does not cover the claims. It evaluates the consistency of the Reinsurance Policy with the Underwriting Policy and with the Company’s risk appetite. It also evaluates the reinsurance cost.

#### Contribution to the Risk Management

The Actuarial Function contributes to the risk management in the creation and management of models for the quantification of insurance risks. It makes recommendations on the limit of values for the insurance risks.

It calculates the largest part of the Risk Ratios used in the Risk Management Reports. It participates in the procedures of risk identification and estimation and in the total solvency requirements for ORSA report, in Asset & Liability Management (ALM), and in techniques for the mitigation of insurance risk.

The Actuarial Function prepares a written analytical report annually to inform the Management and the Company’s Board of Directors via the Risk Management Committee. The report analyzes all undertaken projects and their results. It also identifies potential omissions and makes proposals for their correction.

### Compliance

Compliance is defined as the obligation of the Company’s Board of Directors, Management and Personnel to adapt and operate in line with the applicable legislative and regulatory framework, the decisions and guidelines of EIOPA, the Company’s Articles of Association, the Internal Regulations and Codes of Conduct at the performance of their tasks, with purpose to mitigate the risk of financial loss, to promote the Company’s good reputation and protect its credibility and status.

For this purpose, the Company's Board of Directors has approved the Compliance Policy. The implementation of this Policy implies the continuous compliance of the Policy with the current applicable legislative and regulatory framework, the prevention and deterrence of risks relevant to Compliance and is a major obligation of all functions, bodies and employees from all ranks of the Company.

The Compliance Department reports to the Board of Directors, through the Corporate Governance, Remuneration and Nomination Committee, and operationally belongs to the Company's Management, in the General Divisions, for any significant violation of the regulatory framework detected in its business operations. The Compliance Department is administratively independent and submits reports to the Board of Directors on matters relevant to the Board's responsibilities, at least annually, in a way that ensures its independence and avoids conflict of interest. The Compliance Department can access all data and information required for the fulfillment of its scope.

## Internal Audit Function

The Internal Audit Unit is administratively independent from other units with executive responsibilities and from units competent for realizing or finalizing transactions. It reports to the Board of Directors and is supervised by the Audit Committee.

The Internal Audit operates in accordance with the "Internal Audit Statute" and the International Standards for the Professional Practice of Internal Auditors).

The Internal Audit Function reviews and submits recommendations for improvement to the corporate procedures of the Organization. The audit performed by the Internal Audit Department, as well as the submitted improvement recommendations do not constitute executive work, nor do they release the Board of Directors (Audit Committee) from its legal obligations (Statute of the Audit Committee).

The Internal Audit is a tool for the Board of Directors, that based on an analysis of corporate risks, conducts independent audits in the Company's Internal Audit System, aiming to provide fair assurance to the Company's Shareholders and Management, on the achievement of the following goals:

- The effectiveness and productivity of the corporate functions,
- The compliance with the applicable laws, regulations and provisions,
- Credibility of the financial statements.

The Internal Audit adds value to the Company through the following:

- a) Provision of advices for the planning or recommendations for improvements on the risk management system and audit mechanisms
- b) Assessment of the sufficiency and efficiency of the Internal Audit System.

The annual internal audit plan defines the audit's direction and goals. The annual plan provides for appropriate follow-up on the misstatements- findings of the previous audits, as well as corrective actions for every process. Moreover, the annual internal audit plan briefly presents the scheduled projects in which the Internal Audit participates and the required number of man-hours for every project. The audit process is performed systematically through the plan, implementation and improvement of the working methods.

## Internal Audit System

The structure of the Internal Audit System of European Reliance General Insurance Co S.A. is based on the International COSO standard (Committee of Sponsoring Organizations) of Treadway Commission. The COSO framework is globally recognized for its contribution on issues of corporate governance, business ethics, internal control, business risk management, fraud deterrence and reports.

COSO emphasizes on the overview and assessment procedures of the following sectors:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication,
- Follow up

## Control Environment

The Control Environment is the basis for the development of appropriate auditing mechanisms for the preparation and publication of the Company's financial statements. Some major characteristics of the Control Environment are integrity, moral values, the limitation- determination of various key roles, the delegation of competencies - responsibilities and the organizational structure of the Company. The formation of the internal policies, procedures and the distribution of guiding manuals to the employees are important elements for the Company's Control Environment. The Board of Directors of European Reliance General Insurance Co. S.A. has adopted clear operating structures and procedures. The participation of the Board of Directors in the creation and approval of corporate policies, guidelines and frameworks is important. Moreover, the Company, within this framework, has developed a Corporate Code of Conduct, an IT Systems Security Policy, a Whistle Blowing Policy and a Complaints Policy, for the creation and promotion of a culture of internal audit.

Another part of the Control Environment is the evaluation and audit conducted by the Board of Directors on the Company's financial performance and results with the use of various tools such as budget, estimates, risks and KPIs analyses.

### **Risk Assessment**

European Reliance General Insurance Co S.A performs risk estimates and assessments to identify threats that could affect the Company's Financial Statements and Results. The Company continuously evaluates the risks and takes all necessary preventive measures for their decrease/ elimination.

### **Control Activities**

The Company's organizational structure is designed in a way that allows the Company to manage all risks that, according to the Company's BoD, could possibly affect the credibility of the financial statements, the effectiveness and the performance of the corporate functions. The Control Activities of European Reliance General Insurance Co. S.A. take into consideration the organizational structure that clearly define all organizational roles, functions and responsibilities. Examples of the Company's control activities are the audits, data comparisons and overview of the Departments' functions.

### **Information and Communication**

European Reliance General Insurance Co. S.A. has information and communication systems that aim at the completeness and accuracy of the Financial Statements. The exchange of information and all communications are performed with the help of internal memos, guidelines and policies, relevant to the Company's operation and the preparation of the financial Statements. The employees are informed by the Management through corporate meetings, e-messages and corporate circulars. The Company's Management receives monthly financial information on the Company's progress, in terms of strategic and tactical goals.

### **Follow up**

The Company's financial performance is a regular topic of discussion at the BoD meetings. The Audit Committee has a significant supervisory role in the adherence and implementation of the Internal Audit System.

The Company's Management monitors and audits the financial results on a regular basis and completes analyses of the deviations that arise from the comparison with the budgets and the reports.

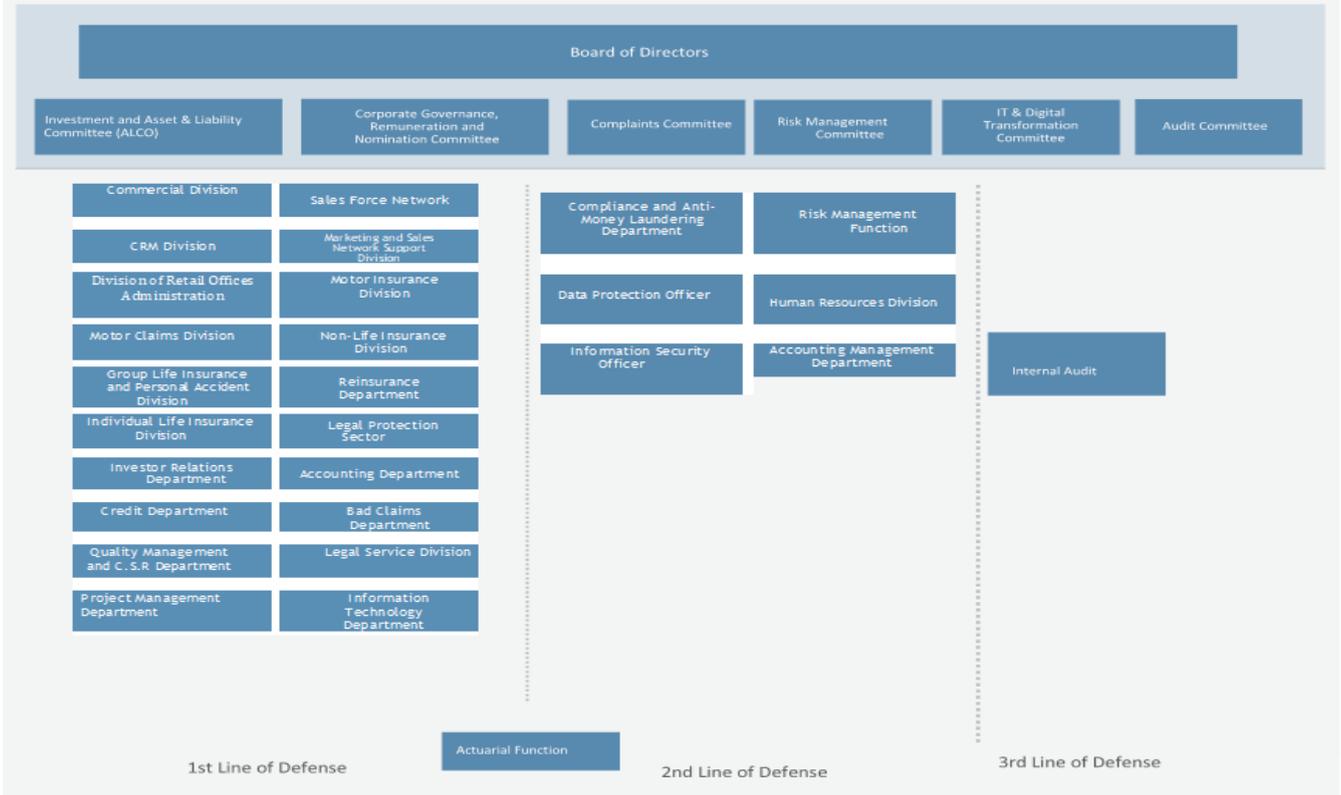
## **Risk Management System**

### **Model of Governance for Risk Management**

The Company adopts a model that is based on the three lines of defense for the governance of risk management, with the following structure:

- In the first line of defense there are the operational units (Divisions and Departments), that are responsible for the assessment and minimization of risks on a given level of expected performance.
- In the second line of defense there is the Risk Management Officer who detects, monitors, quantifies (where possible), controls the risks and provides for the provision of appropriate methodologies and risk management tools. Moreover, the Risk Management Officer reports to the competent bodies, namely the Risk Management Committee and the Board of Directors.
- In the third line of defense, there is the Internal Audit Officer, responsible for the independent evaluation of the compliance of the applicable risk management framework and the evaluation of its effectiveness.

**Figure: Three lines of defense model for Risk Management Governance**



## Outsourcing

"Outsourcing" is an agreement of any form between the Company and a service provider, whether supervised or not, under which the service provider performs a procedure, provides a service or performs an activity, which otherwise would have been performed or provided by the Company itself.

The Company has not outsourced any of its key functions. However, the Company has entrusted the Company's Asset Management to European Reliance Asset Management M.F.M.S.A.

The Company's Board of Directors has established and applies an Outsourcing Policy to Third Parties, in order to:

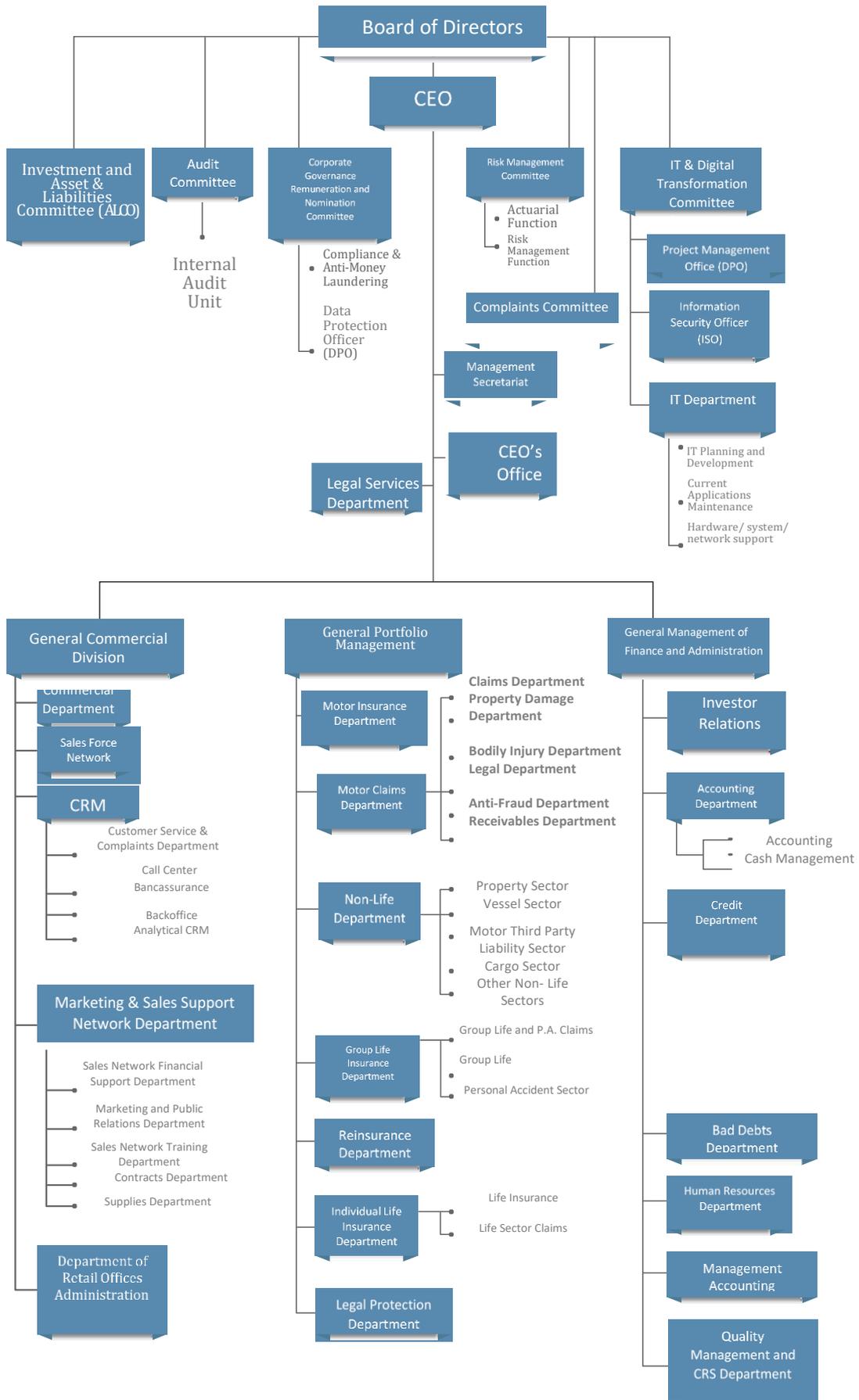
- define the objective that must be met by every outsourcing
- describe the procedures that must be followed in each outsourcing for the effective management of potential risks
- determine the framework for monitoring of outsourcing
- describe the ways of handling ineffective outsourcing.

In case of outsourcing to third parties, the Company identifies and evaluates the most important objectives achieved, which are:

- Limitation of cost
- Focus on the key functions of the Company
- Possibility of access to new technologies
- Release of resources
- Expertise
- Quality of services
- Flexibility in the determination of priorities
- Better management
- More effective monitoring of performance

The Management of the Company pays special attention in the selection of the service providers and takes all necessary measures to ensure the confidentiality of the information.

# Organization Chart of the Company



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