



Euroins Insurance Group AD

**Corporate Governance Declaration
for 2016**

This corporate governance declaration is based on the good governance principles and standards defined by the Bulgarian legislation in the provisions of the Commerce Act, the Public Offering of Securities Act, the Accountancy Act, the Independent Financial Audit Act and other laws and legal regulations and internationally recognised standards.

The company makes this corporate governance declaration in its capacity of insurance holding within the meaning of article 233, paragraph 8 of the Code of Insurance and for the purposes of the consolidated annual financial statement of companies, being public-interest entities as per article 45 in relation to article 40, paragraph 1 of the Accountancy Act. The corporate governance declaration of Euroins Insurance Group AD is subject to the "comply or explain" principle.

In its capacity of insurance holding within the meaning of the Code of Insurance, Euroins Insurance Group AD has established a governance system that continues reinforcing and considering the good corporate governance as an element of the modern business practice, a set of balanced relationships between the Company's Board of Directors, its shareholders and all stakeholders – employees, business partners, company's creditors, potential and future investors, and the general public.

I. Information under article 100n, paragraph 8, item 1 and item 2 of the Public Offering of Securities Act

Euroins Insurance Group AD is an insurance holding within the meaning of article 233, paragraph 8 of the Code of Insurance (CoI), and the company acquires and owns shareholdings exclusively in insurance companies. As at 31.12.2016 the insurance group of Euroins Insurance Group AD (EIG) comprises 7 companies that hold license for insurance business. EIG does not hold a license for insurance business.

Euroins Insurance Group AD is not under the obligation to adopt and apply the National Code of Corporate Governance within the meaning of the Public Offering of Securities Act, however it has a shareholding in a company, which is part of the EIG insurance group and a participant on the Bulgarian Stock Exchange, which has implemented the required measures, observes and applies the National Code of Corporate Governance, where appropriate. The company – majority owner of EIG, is also a public company that observes and adheres to the corporate governance codes of the regulated markets it participates in.

Without prejudice to the above and taking in consideration the good practices governed by the national and European legislation and the recommendations/ guidelines of the authority, which is part of the European Supervisory Mechanism – the European Insurance and Occupational Pensions Authority (EIOPA), EIG has established, improves and applies a governance system.

As a result of the consistent policy of the Board of Directors of Euroins Insurance Group AD in terms of the introduction, enhancement and improvement of the corporate governance, the company has established, implements and applies policies, rules and procedures that ensure the observance of all requirements, principles and recommendations for establishment of good corporate governance at an insurance group level.

The established governance system guarantees the existence and the prosperity of the group companies by setting out the framework within which the insurance holding ensures consistent and harmonized application of the policies within the group.

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under article 100n, paragraph 8 in relation to article 7, paragraph 1 of POSA

The Board of Directors of Euroins Insurance Group AD makes best efforts to maximize the shareholders' benefit by ensuring their equal treatment, including the minority and the foreign shareholders, and strives to establish an environment where the companies will work in the best interest of the insurance group, according to the reasonable expectations of the shareholders and other interested parties. EIG management is obliged to protect their rights and to facilitate the exercising of such rights within the limits allowed by the applicable legislation and the provisions of the company's constitutional deeds. The management ensures timely information to all shareholders in terms of their rights.

In its capacity of an insurance holding, the company has established key functions, including functions that ensure effective internal control (Compliance function) and internal audit, with direct reporting lines to the managing bodies.

Euroins Insurance Group AD has established the required prerequisites and strictly observes the requirements and good practices for public disclosure of information. The company prepares and discloses information about the governance system at group level in the form of solvency and financial position report, thus ensuring the effective disclosure of details about its corporate governance practices to its shareholders, investors and partners and any other potential stakeholders.

The strategic objectives of the corporate governance are as follows:

- Equal treatment of all shareholders, ensuring the protection of their rights;
- Improvement of the level of awareness among the shareholders and transparency;
- Achievement of transparency and publicity of the processes for provision of information by the company;
- Ensuring a mechanism for good governance of the company by its managing bodies, and
- Opportunity for efficient supervision on the governance by the shareholders and the regulatory authorities.

The well-balanced interaction among shareholders, management and stakeholders is a result of the implementation of the corporate governance principles.

The corporate governance declaration of Euroins Insurance Group AD is subject to the "comply or explain" principle.

II. Information under article 100n, paragraph 8, item 2 of the Public Offering of Securities Act

Euroins Insurance Group AD has a one-tier management system. According to the Articles of Association, the managing bodies of the company are General Meeting of Shareholders and Board of Directors.

The Board of Directors (BoD) comprises three natural persons, including a Chairman of the BoD, Deputy Chairman and an executive member of the BoD.

Euroins Insurance Group AD is represented by the Executive Member of the BoD.

The General Meeting of Shareholders appoints and dismisses the members of the Board of Directors and the procedure to this effect is governed by the company's Articles of Association and the applicable legislation.

Euroins Insurance Group AD has a remuneration policy developed and approved by the Board of Directors. The companies within the insurance group EIG also have a remuneration policy developed and approved.

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under article 100n, paragraph 8 in relation to article 7, paragraph 1 of POSA

The remuneration policy of Euroins Insurance Group AD has been developed with view of establishing a transparent and fair internal regulatory framework for fixing the remunerations of specific persons employed at Euroins Insurance Group AD in the capacity of an insurance holding within the meaning of the Code of Insurance, which allows to attract, keep and motivate employees who work for attaining the goals of the organization, with view of limiting the assumption of excessive risks and reasonable management of the business. The remuneration policy sets out the main rules for defining the remuneration of the persons who take the office of members of the Board of Directors in relation to the performance of their powers when exercising managing and supervisory functions in the company; the persons taking the office of a head of a key function within the meaning of the Code of Insurance; as well as the remuneration of the persons taking management positions, except for the persons under article 80, paragraph 1 of CoI. The remuneration of the members of the Board of Directors is fixed by the General Meeting of Shareholders and is stipulated in the management contract, and the remuneration of the other persons within the scope of application of the policy is fixed by resolution of the Board of Directors and is stipulated in the employment contract. For the time being the amount of the remuneration is fixed and has no variable element. The amount of the remuneration is defined depending on specific principles outlined in the remuneration policy. By resolution of the general meeting and upon achieving specific financial results, the members of the Board of Directors may receive additional incentives.

Within the insurance group of EIG internal rules of ethics are developed and followed for the standards of business conduct of the managers within the holding structure and for prevention of abuse of in-house information. To this end, the companies within the insurance group of EIG have developed and observe Codes of Ethics approved by the respective competent bodies. The observance of the Code of Ethics is aimed at the establishment of efficient and transparent corporate governance of the public and other subsidiaries within the structure of Euroins Insurance Group AD in the interest of their shareholders.

The Companies within the insurance group of EIG have appointed Audit Committees that function in compliance with their rules of procedure. The aim of the established Audit Committees is to support the company's management in fulfilling its obligations for the integrity of the financial statements, the evaluation of the efficiency of the internal control systems and to monitor the efficiency and impartiality of internal and external auditors.

In compliance with article 40l of the Independent Financial Audit Act (IFAA) (repealed, SG no. 95 of 29.11.2016), Audit Committees are obliged to report their work on annual basis to the General Meeting of Shareholders of the respective company within the insurance group upon the adoption of the annual financial statements. The report of the Audit Committee is made and submitted to the shareholders together with all other materials relevant to the regular annual General Meeting of Shareholders of the respective insurer.

The company observes the legislation, good practices and guidelines of EIOPA in terms of information disclosure and each change in the information disclosure process required due to occurred specific circumstances and reasons is subject to obligatory prior approval by the company's management. In 2016 by its resolution, the Board of Directors has approved Internal Rules on public disclosure of major group information within the insurance group of Euroins Insurance Group AD. Every material regular and incident information is disclosed immediately. The company has coordinated its business with the applicable national legislation and with the European legal framework that directly applies to the national legislation.

In compliance with the statutory time periods, the reporting 2016 will be disclosed both by disclosing the Annual Financial Statements and by publishing a Solvency and Financial Position Report.

The company's management is trying to get as close as possible to the requirements of the good corporate practices.

(Unofficial translation of the original in Bulgarian)

The company has no written rules on the organization and conducting general meetings, however the company's management strictly observes the requirements and the provisions of the applicable legislation and the company's articles of association in terms of deadlines and content of the materials for the agenda of the General Meeting of Shareholders (GMS). The notice for GMS is made according to the legal requirements and in the greatest details possible. It contains all proposed resolutions for the purposes of making each shareholder aware thereof in advance, before its public announcement.

In their work, the members of the Board of Directors of Euroins Insurance Group AD are led by the principles and good practices for avoidance and disclosure of conflicts of interests in case of transactions with interested parties, which are stipulated in the company's constitutional deeds. The companies within the insurance group of EIG are obliged to develop and strictly apply and observe rules and procedures for avoiding and disclosing a conflict of interests. According to these rules and procedures all related parties transactions are conducted in a way ensuring diligent governance of the interests of the company and its shareholders.

The annual and interim statements are prepared under the supervision of the company's management, which directly monitors the accountancy and financial reporting systems. On monthly basis, the management of Euroins Insurance Group AD receives management reports from all subsidiaries for the development of the companies and the achieved financial results. The Board of Directors prepares an annual director's report for its work, which is adopted by the General Meeting of Shareholders.

Euroins Insurance Group AD does not have developed written policy for social responsibility, however the company is committed and devoted to social support and care for the health of its employees.

III. Information under article 100n, paragraph 8, item 3 of the Public Offering of Securities Act

The insurance group of Euroins Insurance Group AD has established and operates a governance system, which integrates a risk management and internal control system. The governance system ensures the proper and reasonable governance of the business, including the efficiency and the establishment of an adequate and transparent structure with clear and expedient allocation of responsibilities ensuring the information dissemination, including in relation to the functioning of the accountancy and financial reporting and information disclosure systems.

One of the main objectives of the introduced internal control and risk management system is to support the management and other interested parties when assessing the reliability of the company's financial statements, achieving the strategic objectives, efficiency and efficacy of operations, as well as application of relevant legal and regulatory requirements.

Internal control and risk management are well integrated within the organizational structure, both at insurance holding level and within the companies of the insurance group. They are an integral part of the decision making processes at group level and are implemented by the employees at all management levels as an integral part of the company's operations. The Board of Directors and the heads of business units performing key functions are in charge of the direct and immediate implementation.

EIG's risk management system is a constantly functioning system that ensures timely and adequate management of different types of risks the insurance holding is and/or might be exposed to, whereas taking consideration the scope and type of business of the companies being part of the insurance group.

under article 100n, paragraph 8 in relation to article 7, paragraph 1 of POSA

The risk management system is a tool for efficient governance at insurance group level and is applied consistently, harmoniously and integratedly in all insurance companies that are part of the insurance group. The risk management system of EIG comprises the risk management systems at subsidiary level. Subsidiaries enhance the risk management system by adopting and applying Risk Management Policies in compliance with and observing the main guidelines of the Risk Management Policy of Euroins Insurance Group AD.

All risks within the risk management system at insurance group level are identified, measured, monitored, reviewed and reported on the grounds of prepared regular consolidated report adapted to the needs of Solvency II pursuant to the regulatory requirements and in compliance with the principles and methods as set out in the Asset and Liability Management Policy of Euroins Insurance Group AD. The risk management system of EIG is managed and administered by the EIG Risk Manager and comprises the risks within the following areas:

- ✚ underwriting business and formation of technical reserves;
- ✚ asset and liability management;
- ✚ investments, in particular derivatives and other similar liabilities;
- ✚ risk management in the field of liquidity and concentration;
- ✚ operational risk management;
- ✚ reinsurance and other risk mitigating techniques.

The categories of risks attributable to EIG in its capacity of insurance holding are identified and classified according to the categories of risks identified at subsidiary level. According to the type of operations corresponding to the issued license for insurance business, the following categories of risks are identified and differentiated in the subsidiaries:

- ✚ **Underwriting risk** – reflects the risks originating from insurance liabilities in terms of covered insurance risks and processes used for carrying out the subsidiaries' business. Underwriting risk comprises the following sub-risks:
 - ❖ Premiums and reserves-related risk;
 - ❖ Lapse risk;
 - ❖ Catastrophic risks;
- ✚ **Market risk** – risk of loss or unfavourable change in the financial position directly or indirectly due to fluctuations in the levels and instability of market prices of assets, liabilities and financial tools of the subsidiaries. Market risk comprises the following sub-risks:
 - ❖ Interest risk;
 - ❖ Spread risk;
 - ❖ Stock-related risk;
 - ❖ Property risk;
 - ❖ Concentration risk;
 - ❖ Currency risk;
- ✚ **Operational risk** – risk of loss as a result of improper or not well functioning in-house processes, people or systems, or due to external events in the subsidiaries.
- ✚ **Risk of counterparty's failure** – it reflects the possible losses due to unexpected failure or deterioration of the credit standing of the counterparties or debtors of the subsidiaries during the next 12 months.
- ✚ **Intangible assets-related risk**

The group organizes its risk management work by establishing and effectively applying a system of in-house documents, both at company and group level. The main tools for control of risk for the purposes of avoiding and mitigating the risk comprise the analysis of possibilities/ risk ratio taking in consideration the solvency capital requirements. Risk is being identified, measured, monitored and reported on ongoing and regular basis in compliance with the applicable legal regulations and the in-house regulations of the Group.

Risk related activities are reported to the Board of Directors on quarterly basis and whenever necessary.

The main activities for identification, measurement and control of common risks within the Group of EIG, in its capacity of insurance holding, are performed by the EIG Risk Manager and by the company's Risk Committee.

The risk committee is a collective body at insurance holding level, which supports the work for the harmonization and consistent implementation of the Risk Management Policy within the entire insurance group.

The internal control system comprises internal control regulations, administrative and accounting procedures, appropriate reporting lines at all levels, as well as a compliance function.

The established internal control and risk management systems ensure the efficient internal control for the preparation and management of all in-house documents, including financial statements and other regulated information the company is obliged to disclose in compliance with the legal regulations.

As a parent company of an insurance group, the risk management systems, the internal control systems and the reporting procedures are applied consistently and in compliance with the group policies, so that such systems and procedures could be controlled at group level.

The annual consolidated financial statements of Euroins Insurance Group AD are subject to independent financial audit for the purposes of achieving objective external opinion about the way of their preparation and presentation in order to increase the level of trust of their users. The company prepares and maintains its accountancy in compliance with the International Accounting Standards.

IV. Information under article 100n, paragraph 8, item 4 of the Public Offering of Securities Act

The members of the Board of Directors of Euroins Insurance Group AD submit information under article 10, paragraph 1, letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids:

Paragraph 1, letter “c”	Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of article 85 of Directive 2001/34/EC.	Euroins Insurance Group AD holds significant direct or indirect shareholdings, which are described in details in the company’s 2016 Management Report.
Paragraph 1, letter “d”	The holders of any securities with special control rights and a description of those rights	There are no shares that give special control rights.
Paragraph 1, letter “f”	Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company’s cooperation, the financial rights attaching to securities are separated from the holding of securities;	There are no restrictions on the voting rights of the holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company’s cooperation, the financial rights attaching to securities are separated from the holding of securities.
Paragraph 1, letter “h”	The rules governing the appointment and replacement of board members and the amendment of the articles of association	The rules governing the appointment and replacement of members of the Board of Directors and the amendment of the articles of association are set out in the articles of association of Euroins Insurance Group AD.
Paragraph 1, letter “i”	The powers of the board members, and in particular the power to issue or buy back shares;	The powers of the members of the Board of Directors are provided for in the articles of association of Euroins Insurance Group AD.

V. Information under article 100n, paragraph 8, item 5 of the Public Offering of Securities Act

The powers and the rules of procedure of the managing bodies of Euroins Insurance Group AD are governed by the articles of association of the company. The rights, obligations and responsibilities are identified for the purposes of ensuring their effective work within the frames of the one-tier management system of the company guaranteeing that the management and the representation of the company comply with the in-house constitutional deeds, the requirements of the law and the protection of the shareholders’ interests.

Board of Directors

The Board of Directors of EIG manages the company in compliance with the established objectives and strategies of the company and the shareholders’ interests. It monitors the performance of the company, the functioning of established risk management, internal control and audit systems.

The Board of Directors manages the company under the direct supervision of the general meeting of shareholders. It resolves on all issues relevant to the company's business, except those that are under the exclusive jurisdiction of the general meeting of shareholders by virtue of the law or pursuant to the provisions of the articles of association. The members of the Board of Directors are appointed by the General Meeting of Shareholders for a period of 5 (five) years. The members of the Board of Directors may be re-elected without restrictions.

The Board of Directors of EIG comprises at least 3 (three) but not more than 7 (seven) persons – capable natural persons or legal entities, while observing the requirements for the number and structure thereof in order to ensure the efficient business of the company. In case of a legal entity – member of the Board of Directors, it nominates its representative to fulfil its obligations. Upon proposal for election of new members of the Board of Directors, the principles for compliance of the candidate's competence, fitness and propriety with the nature of the company's business, the legal requirements and the EIG Fit and Proper Policy are observed. A person under article 234, paragraph 2 of the Commerce Act may not be a member of the Board of Directors.

The members of the Board of Directors should also meet the following additional requirements, and namely: to have enough professional qualification and experience to manage the company's business, including to have higher education and proper professional qualification required for the management of the company's business; to have professional experience in the field of economics or finance; not to be sentenced for deliberate criminal offence of general nature; during the last three years before the initial date of insolvency fixed by the court, not to have been members of a managing or supervisory body or general partners of a company against which an insolvency procedure has been initiated, or which has been wound-up due to insolvency, provided unsatisfied creditors have remained; not to have been declared insolvent and not to be subject to insolvency procedure; not to be deprived of the right to take accountable offices; not to be spouses or relatives on direct line of descent or collateral line of descent up to the fourth degree, including or in-law lineage up to the third degree to another member of a managing or supervisory body of EIG; during the last year before the deed of the respective competent authority not to have been members of a managing or supervisory board or general partners in a company whose license for carrying out business subject to licensing has been withdrawn, except in case the license has been withdrawn upon company's request, and if the deed for withdrawal of the issued license has been repealed in due order; not to have been dismissed from office in a managing or supervisory body of a business company by virtue of enforcement administrative measure, unless the deed of the competent authority has been repealed in due order; to have good reputation, to be honest and financially reliable; to have professional experience in compliance with the legal and/or in-house requirements.

The persons who actually manage EIG should altogether have appropriate fitness at least for:

1. insurance and financial markets;
2. business strategy and business model;
3. governance system;
4. financial and actuarial analyses;
5. legal regulations and requirements

In addition to the above fit and proper requirements, the members of the Board of Directors should meet the following additional requirements: to have acquired education and qualification degree Master; professional experience of at least 3 years on another managerial position in an insurer, insurance or financial holding, insurance holding with joint venture, financial holding with joint venture, reinsurer, pension insurance company, bank, government institution in the field of economics and finance, or as a representative of an insurance broker directly involved in the insurance intermediation business, where the broker's business in insurance transaction is commensurate to the

under article 100n, paragraph 8 in relation to article 7, paragraph 1 of POSA business of an insurer, and if the person has education in the field of economics or law – at least 2 years; to have good reputation and to be financially reliable.

The chairman of the Board of directors organizes the work of the board according to the requirements of the law, the articles of association and the resolutions of the general meeting of shareholders.

The General Meeting of Shareholders defines the remunerations of the members of the Board of Directors as well as other property issues /additional incentives/ in relation to its work.

The members of the Managing Board are obliged to fulfil their obligations with the care of good trader in a way they reasonably believe is in the interest of all shareholders and of the company, whereas using only information they reasonably believe to be authentic and complete, and to show loyalty to the company, whereas preferring the company's interest to their own interest and to avoid any direct or indirect conflicts between their own and the company's interest, and provided such conflicts occur – to disclose them in writing, in timely manner and in full before the respective body, and not to participate, and not to exert influence on the other board members upon adoption of resolutions in this cases, not to disclose non-public information about the company also upon ceasing to be members of the Board of Directors until the public disclosure of the respective circumstances by the company. Such obligation does not apply to information, which by virtue of law is accessible to third persons or which has been already disclosed by the company.

The members of the Board of Directors are jointly liable for the damages they have caused to the company by their fault. If it is established that a board member is not liable for the occurred damages, they will be released from liability. They are released from liability by the company's General Meeting of Shareholders on annual basis.

The members of the Board of Directors for their management in an amount fixed by the general meeting but not less than their 3 (three) months' gross remuneration.

The meetings of the company's board of directors are convened whenever necessary by the chairman or by any of the board members.

The Board of Directors adopts resolutions if more than half of its members are attending the meeting personally or are represented by another member of the board. Each member may represent only one of the absent members. Upon notice, the meetings of the Board of Directors may be attended by persons who are not members.

General Meeting

The General Meeting of shareholders is a supreme managing body of the company and comprises all shareholders with a voting right. The general meeting of shareholders (GMS) is competent to adopt key resolutions for the holding's business, such as: adoption of resolution for amendment and supplement of the articles of association; transformation and dissolution of the company; increase and decrease of the capital; appointment of members of the Board of Directors, etc.

The terms and conditions for convocation of the general meeting of shareholders are as follows:

Pursuant to article 32, paragraph 1 of the articles of association, the general meeting of shareholders is convened by the Board of Directors 1 (once) a year for a regular session not later than the end of the first six months after closing the reporting year. The Board of Directors may request the convocation of an extraordinary GMS when losses exceed $\frac{1}{2}$ (one second) of the capital and in other statutory cases.

under article 100n, paragraph 8 in relation to article 7, paragraph 1 of POSA

According to the same article of the articles of association and pursuant to article 223, paragraph 1 of the Commerce Act, the general meeting of shareholders may be also convened upon request of shareholders who hold shares, being at least 5 percent of the capital of the company, for more than three months. Upon failure to satisfy the request of the shareholders holding at least 5% (five percent) of the capital within one month, or upon failure to hold the general meeting of shareholders within three months from filing the request, the district court convenes the general meeting or empowers the shareholders requesting such convocation, or a representative thereof, to convene the meeting.

Shareholders who hold at least 5 (five) percent of the company's capital for more than 3 (three) months may, after the announcement or respectively the receipt of the notice, include other matters on the agenda of the meeting by virtue of the provisions of article 223a of the Commerce Act.

The general meeting of shareholders may be convened with a notice announced in the commercial register or with written notices to the shareholders, whereas the convocation shall be defined by the Board of Directors on case by case basis pursuant to the provisions of article 33 and article 34 of the Articles of Association of Euroins Insurance Group AD. The company is obliged to publish the notice in the commercial register and the written notice should be received, respectively, at least 30 days before the date of opening of the General Meeting of Shareholders.

The convocation of the General Meeting of Shareholders, the powers of the General Meeting of Shareholders, the participation in the sessions of the General Meeting of Shareholders, the requirements for quorum to hold a General Meeting of Shareholders, the required majority for adoption of resolutions by the General Meeting of Shareholders, the bodies of the General Meeting of Shareholders, the records of the sessions of the General Meeting of Shareholders are set out in details in Section VI of the company's articles of association.

Jurisdiction of GMS:

1. to amend and supplement the company's articles of association;
2. to increase and decrease the capital;
3. to transform and wind-up the company;
4. to appoint and dismiss the members of the Board of Directors, to fix their remuneration, including their right to acquire shares and bonds of the company;
5. to appoint and dismiss registered auditors (specialized audit company);
6. to approve the annual financial statements after being verified by the appointed registered auditor (specialized audit company), to adopt resolutions for allocation of profit, allocation of funds to the company's reserves and for payment of dividend;
7. to resolve on issue of bonds;
8. to release the members of the Board of Directors from liability;
9. to appoint the liquidators upon winding-up of the company, except in case of insolvency;
10. to resolve on other issues falling under its jurisdiction by virtue of the law and these articles of association.

The shares of the company are materialized, registered shares with voting right. The shares are divided in two classes: 406 464 000 non-preferred shares and 76 981 791 preferred shares, and the preference comprises the right to a liquidation quota with preference before all other shareholders. Shares are non-fractional. The nominal value of one share is BGN 1.00 (one lev). Each share gives its holder the right to 1 (one) share in GMS; right to a dividend and right to a liquidation quota, according to the class of shares. Furthermore, pursuant to article 17, paragraph 2 of the articles of association, each shareholder shall have the right to acquire a part of the new shares in proportion to his/her shareholding in the capital prior the increase; to get acquainted with the written materials relevant to the general meeting, to authorize another person to exercise their rights towards the company; to be

The company distributes dividend by resolution of the general meeting of shareholders.

The articles of association of the company do not contain provisions for actions required for the change of the rights of holders of shares, except those as required by the law.

V. Information under article 100n, paragraph 8, item 6 of the Public Offering of Securities Act


The companies within the insurance group of EIG have not formalized their policy of diversity in terms of the administrative, managing and supervisory authorities, however, in practice no restrictions in terms of age, sex, nationality and education apply upon appointing the members of the managing bodies. The key factors comprise fitness and propriety, managing skills, competence, professional experience in the relevant field, etc. By resolution of the Board of Directors of EIG, a Fit and Proper Policy has been approved and implemented in terms of the persons who manage Euroins Insurance Group AD, who take management offices or perform key functions (Fit and Proper Policy), which governs the terms and conditions for nominating and appointment of the members of the managing and the supervisory body. In compliance with the Fit and Proper Policy, the persons who actually manage EIG should altogether be fit and proper for at least:

1. insurance and financial markets;
2. business strategy and business model;
3. governance system;
4. financial and actuary analysis;
5. legal regulations and requirements

This policy has been communicated to the subsidiaries with instructions for compliance.

This corporate governance declaration of Euroins Insurance Group AD is made and signed on 19 April 2017.

Board of Directors:



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/Assen Milkov Christov – Chairman of the Board of Directors/



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/Dominique Victor François Joseph Bauduin – Deputy Chairman of the Board of Directors/



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/Kiril Ivanov Boshov – Executive Member of the Board of Directors/