European Liability insurance for the Nuclear Industry
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SOLVENCY FINANCIAL CONDITION REPORT (SFCR)
Version 2025

The SFCR covers the Business and Performance of ELINI and its Branches, its system of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

ELINI is always required to hold sufficient assets to match its liabilities while at the same time be committed to high governance standards.

Yearly, the Executive Committee and the Board of Directors are issuing a public statement that the Mutual has complied with, and will continue to comply with, Corporate Governance Code that contains both nationally and internationally recognised standards of good and responsible enterprise management.

Table of content

Executive Summay

a) Business and performance

The Association is incorporated under the name "EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY", abbreviated as ELINI. It has its registered office at 1140 Brussels, Avenue Jules Bordet, 166 in Belgium.
In 2013, ELINI opened a Swiss branch as required by the Swiss Regulator FINMA. ELINI's activities in Switzerland are allowed via the ELINI Swiss Branch which was registered in the Commercial Register of the Canton Zug in 19/06/2013 under the number CH-170.9.001.582-5. This Branch was granted an insurance license from the Swiss regulator FINMA on 15 November 2019.
ELINI also opened a UK branch to comply with local requirements after Brexit. ELINI's activities in the United Kingdom are allowed via the ELINI UK Branch which was registered in the Companies House on 1 May 2022 with the number FC039476 and received its insurance license with reference number 400481 from the regulator PRA (Bank of England) on 23 June 2023.

At 31 December 2024, the actual Gross Contribution (before rebates and brokerage) was recorded at € 27.268.297, compared to € 24.871.015 at the end of the previous year. The Net Premiums Earned for 2024 also increased to € 15.163.753 from € 13.980.591, even with an elevated reinsurance cost. The actual financial result at 31 December 2024 is a profit of € 3.480.152 which represents only the realized profits. In the absence of any claim, the net surplus before allocation to the Equalization Reserve for 2024 amounted to € 14.866.300, a nice increase compared to the surplus of € 8.761.752 a year earlier.

The Solvency II SCR ratio of 243,1% remained quite steady over the previous quarters and well above the Board's target of minimum 149,0%.

b) System of Governance

The structure of ELINI is organized around the Board of Directors (BoD) and the Executive Committee (EC). The BoD has established two specialized advisory committees, namely the Audit Committee and the Risk Committee.

Operational management is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis within the first line of defence. ELINI has also established four independent control functions (Internal Audit, Compliance, Risk Management and Actuarial), which form the 2nd and 3rd of its "three lines of defence" organization.

ELINI has established the Risk Policy Framework (RPF), which is a set of policies, standards and guidelines overarching our risk management system. The Own Risk and Solvency Assessment (ORSA) is a set of processes that assess the overall solvency requirements over the planning horizon. The ORSA report based on the figures for the fourth quarter of the previous year and is reported to BoD and the NBB every year.

ELINI is audited by KPMG Réviseurs d'Entreprises, Luchthaven Brussel Nationaal 1K, B-1930 Zaventem, nominated by the Annual General Meeting of 25 April 2024 for the financial years 2024, 2025 and 2026.

c) Risk profile

The resulting risk profile provides an overview of how risks are distributed over different categories and determines the regulatory capital requirements in accordance with SII and the Standard SII formula.

The risk log identifies ELINI's key risks. The management then crosschecks the type of risk with existing control measures to see how they are currently mitigated. This exercise is performed at the end of each year and in preparation for the year to come. In order to quantify each individual risk, ELINI combines two parameters which are the probability of occurrence and the (financial) loss impact.
ELINI has mapped 50 material risks identified in 11 different categories of risks, which are monitored on a daily basis. Major risks are submitted to stress-testing to test their resilience and ensure smooth recovery.

d) Valuation for solvency purposes

ELINI's assets and liabilities are presented and reconciled on a Market Value Balance Sheet (MVBS) and local Belgian Generally Accepted Accounting Principles (BeGAAP) basis.
Total SII-assets at the end of 2024 amounted to 188,69 M€ on an MVBS basis. Assets have been invested in alignment with the prudent person principle.
Total Capital requirements at the end of 2024 amounted to 73,19 M€ on an MVBS basis, of which Technical Provisions (TP) constituted 8,43 M€.

e) Capital management

ELINI's own funds are composed of basic own funds and the possibility to call for supplementary contribution of its Members. Supplementary members calls are considered to be ancillary own funds and thus are restricted to 50% of the SCR (if applicable after approval by the Regulator).
The SII own funds are composed of 99% of Tier 1 unrestricted. The rest of the own funds is called up but not yet paid in amounting to 0,59 M€ and are considered non-eligible Own Funds in Solvency II. ELINI asks the Regulator's approval for the use of supplementary Members calls as Tier 2 Ancillary Own Funds but has never used them as Own Funds. For the year 2025, the use of Ancillary Own Funds has not been granted.
The Minimum Capital Requirement (MCR) ratio stands at 972,4 % and the SCR ratio at 243,1%.

1. Business and performance

ELINI is a Belgian mutual insurance association, “association d’assurances mutelles” or “onderlinge verzekeringsmaatschappij”, established in December 2002 to provide insurance capacity for nuclear liability risks to its Members. The present Members of ELINI include nuclear facilities in Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Great-Britain, Hungary, Italy, Romania, Slovak Republic, South Africa, Sweden, Switzerland and the Netherlands.

The capacity provided by ELINI is independent of that provided by the various nuclear Pools.

Governments have long recognised that a nuclear accident will also cause transboundary damage. This led to the development of international frameworks to ensure that access to justice was readily available for victims outside of the country in which an accident occurs, so far as the countries are party to the relevant conventions. The number of different international instruments and their arrangements often give rise to confusion. Many of the major instruments, outlined below, have been amended several times and not all countries party to the earlier version have ratified the latter. The result is a patchwork quilt of countries and conventions and work towards harmonisation of these regimes is ongoing.

The international liability regime is embodied primarily in two instruments:

1/ the IAEA’s Vienna Convention on Civil Liability for Nuclear Damage of 1963 (entered into force in 1977), and

2/ the OECD’s Paris Convention on Third Party Liability in the Field of Nuclear Energy of 1960 which entered into force in 1968 and was bolstered by the Brussels Supplementary Convention in 1963.

These Conventions were linked by the Joint Protocol adopted in 1988 to bring together the geographical scope of the two.

In the context of the strengthening of the international nuclear third-party liability regime (increasing insurance limits, extending definition of nuclear damage and liability period to 30 years) that became effective as from 01/01/2022, the nuclear operators have expressed their concerns regarding both the availability of insurance capacity in the market at an economical acceptable pricing and the potential gap between required and offered guaranties.

The objective of ELINI is to provide civil liability insurance capacity, in branch 13, to its Insured Members within the framework of and limited to civil liability in the field of the nuclear industry, as specified in the national legislations of countries who have signed the Paris Convention of July 29th,1960 or the Vienna Convention of May 21st,1963 (as amended from time to time) or those countries who have not signed the Paris Convention nor the Vienna Convention but apply the same principles in their national legislations, or based on Common Law and/or Civil Law (‘droit commun’). ELINI can also provide limited coverages in Directors & Officers liability to support its members that would have some issues to find those coverages on the market, due to their nuclear activities.

ELINI has several identification numbers as a legal moral person. The most important are:

- Company number 0479.186.730
- VAT number BE 0479.186.730
- NACEBEL code 65121
- NBB licence number 2275
- Legal Entity Identifier (LEI) 549300QEVD5SFRQ9P723

In Belgium, the supervision of insurance companies is mainly carried out by the National Bank of Belgium (NBB), Boulevard de Berlaimont 14, 1000 Brussels, Belgium.
Specific areas of supervision are also carried out by the Financial Services and Markets Authority (FSMA), Rue du Congrès 12-14, 1000 Brussels.
The Swiss Financial Market Supervisory Authority (FINMA) with address Laupenstrasse 27. CH–3003 Bern, supervises our Branch operating in Switzerland.
The Prudential Regulation Authority (PRA), a division of the Bank of England, with address 20 Moorgate, London EC2R 6DA, supervises our Branch operating in the United Kingdom.

The accounts of the Association are audited by a Statutory Auditor recognised by and in agreement with the Belgian Regulator. The Statutory Auditor has to be appointed and his remuneration to be approved by the General Assembly for a period of at least three years. Currently this mandate has been given to KPMG, Luchthaven Brussel Nationaal 1K. 1930 Zaventem for the financial years 2024, 2025 and 2026.

a) Underwriting & business performance

The maximum insurance capacity per policy, including the Treaty and Facultative contracts with NIRA and BlueRe, increased from € 260.000.000 in 2023 to € 272.400.000 in 2024. Our own retention increased from € 135.000.000 to € 142.400.000 in the same period.
Alternative capacity was ceded to other reinsurers amounting to a maximum of € 80.000.000 in 2024. As a result, the maximum gross capacity 2024 for one single Member amounted to € 352.400.000, of which € 346.491.363 was effectively allocated.

The contributions written, and reinsurance premiums ceded are reflected in the earnings on a pro-rata basis over the terms of each policy. Unearned contributions represent the portion of contributions written, which are applicable to the non-expired term of the policies in force.
Gross earned contributions increased from € 24.871.015 in 2023 to € 27.268.297 in 2024. This growth can be attributed to the elevated gross insurance capacity and the fact that more Members use an elevated capacity from Elini in their insurance program. On top, Elini provided D&O insurance to those Members requiring such a cover and having spare on the maximum insured limit.
Net earned Reinsurance costs – excluding acquisition costs – increased from € 10.650.509 to € 11.347.589 of which € 8.083.424 was attributed to BlueRe compared to € 7.386.109

in 2023. € 1.636.951 of this total reinsurance cost related to Elini's Branches in the United Kingdom and Switzerland, and was therefore charged to these Branches. The maximum capacity bought by Elini from BlueRe for one single risk increased from € 80.000.000 in 2023 to € 90.000.000 in 2024.

The total outstanding claims reserve at the end of the year decreased from € 48.750 in 2023 to € 36.000 at the end of 2024.
No new claims have been notified to Elini during the financial year 2024, while two claims have been closed without payments. On the other hand, an additional provision of € 500 was set up for the remaining claims to cover internal claim handling costs, in accordance with the Solvency II requirements.

General expenses increased from € 3.772.159 in 2023 to € 3.911.717 or an increase of +3,7%. The main drivers behind the increase of € 139.559 in administrative expenses are inflation-linked (inflation was at +2,4% on average in 2024), IT related expenses and to a less extent HR cost as new colleagues who joined Elini in 2023 were not on the payroll for that full year, whereas this was the case for 2024. Total expenses amount to 97% of the Budget 2024, as approved by the Board of Directors.

The investment yield on the portfolio was calculated at +6,01%, a bit less than the +7,31% for 2023, but well above the Board's target (2%), the Euro inflation (2,4%) and the forecasted yield of 3,0%. All asset classes contributed positively to this result.

No significant event has occurred subsequent the closing of the Financial Statements at 31/12/2024 that could compromise the financial position or liquidity of Elini.
Elini not only monitors developments related to its insurance activities, to its Members or to pandemics, but also to geopolitical developments.

The table below shows an overview of the performance at 31 December 2024.

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

INCOME STATEMENT FOR THE PERIOD ENDING 31 DECEMBER 2024
(Currency - Euro)

		31/12/2024
1 Earned premiums net of reinsurance		
a) Gross premiums		27.268.296,61
• Premiums written	27.268.296,61	
• Rebates to members	0,00	
b) Reinsurance premiums		-11.732.262,32
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)		-756.953,62
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)		384.672,67
		15.163.753,34
2bis Investment income		
b) Income from other investments		437.273,11
c) Write-back of adjustments on investments		166.853,73
d) Realized capital gains		5.778.436,84
		6.382.563,68
3 Other technical income net of reinsurance		**121.362,63**
4 Costs of claims, net of reinsurance (-)		
a) Net amount paid		
aa) gross amount		0,00
bb) part of reinsurers		0,00
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)		12.750,00
aa) Variation of the reserve for claims gross of reinsurance (increase -, decrease +)		12.750,00
bb) Variation of the reserve for claims part of reinsurance (increase +, decrease -)		0,00
		12.750,00
7 Net operating expenses (-)		
a) Acquisition expenses		-331.523,73
c) Administrative expenses		-3.580.193,51
		-3.911.717,24
7bis Expenses relating to investments (-)		
a) Expenses for managing investments		-104.561,80
b) Adjustments to investment values		-46.671,96
c) Realized less values		-2.751.178,27
		-2.902.412,03
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES		**14.866.300,38**
9 Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)		**-12.664.713,16**
Surplus/(DEFICIT) of the period available for Distribution		***2.201.587,22***
15 Taxes		**-115.947,90**
Result of the period		***2.085.639,32***

2. Management structure, remuneration and Membership

2.1. Management structure

a) Board of Directors (composition, duties, operation)

Competences

The Board of Directors outlines the general policy of the Association which is subject to prior agreement of the General Meeting.

The Board of Directors ensures the monitoring of the business of the Association and of its management by the Executive Committee, which is appointed by the Board from among its Members. The Board of Directors has a broad mandate to investigate in this respect. To protect the interest of the Association, every Director is requested to sign a confidentiality agreement.

The Chairman of the Board supervises the division of the powers / competencies between the Board of Directors and the Executive Committee.

The President of the Executive Committee is appointed by the Board of Directors in accordance with the NBB requirements.

The Board of Directors, after consulting the NBB, shall confer to the Executive Committee the competence to take any decisions relating to the administration and the objects of the Association and to represent the Association, with regard to this management, in relation with members of staff, Members of the Association and any third parties, according to the laws and regulations in force and to the Articles of Association.

Composition

The NBB must be informed prior to as well the appointment or reappointment as the resignation of persons participating at the effective management.
The (re)nomination of members of the Board of Directors is subject to prior written approval by the Belgian supervisor who assesses the candidates in accordance with the principles included in the circular on Fit & Proper requirements and integrated in the Fit &

Proper policy. The Board is responsible to install an appropriate recruitment-, evaluation- and education strategy and will therefore perform an assessment of the candidate on fit- and properness at the moment of selection. The NBB will receive a copy of the fit and proper assessment.

The Board of Directors is appointed for a three-year period by the Annual General Meeting, who can dismiss them at any time, and is composed of at least 9 Directors.
A minimum of two Members of the Board do not represent a Member and the majority of Board members are non-executive Directors. These non-executive and the external Directors may be remunerated for their mandate. Their remuneration is fixed by the General Assembly of the Association and reported to the Regulator on an annual basis.
The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

From among its Members who are not Members of the Executive Committee, the Board of Directors elects a Chairman and two vice-Chairmen for a period of three years. They are eligible for re-election.
In the absence of the Chairman, the Board of Directors meets under the presidency of a Vice-Chairman or in his absence, of a Director chosen by the Directors, who is not a member of the Executive Committee.
On completion of their three-year period of office, Directors are eligible for re-appointment.
If there is a vacancy for one or more Directors, the remaining directors have the right to arrange for temporary replacements until the next General Meeting.

The Board of Directors may call upon the services of any person whose presence is considered to be useful. Such person shall have no vote in the proceedings.

In line with the fit and proper requirements applicable by the fit and proper policy, the Board of Directors performs annually a self-assessment on its functioning.

Incompatibilitie*s*

Members of the Board of Directors who are not Members of the Executive Committee may not engage in any management function of the Association.

Meeting dates and location

The Board of Directors meets, under the presidency of the Chairman, as often as the interests of the Association require, and whenever five or more Directors make a written request for such a meeting.

Convocation

Notice of Board meetings are sent by ordinary mail or by e-mail at least ten days before the date of the meeting. This notice states the date, place, time of the meeting and the items on the agenda.
The Board of Directors can only take decisions if all the Directors have been given notice of the meeting.

Proceedings of the sitting

Each Director has one vote.

The Board of Directors can only take decisions if a majority of Directors are present or represented. Any Director may, by letter or by e-mail, give authority to another Director, to represent him at a particular meeting of the Board of Directors and to vote in his name. No Director may exercise more than two such proxy representations.
In the case of a tied vote, a new vote will be organised.

All decisions of the Board of Directors are taken by simple majority of expressed votes, with the exception of:

A three-quarters majority of expressed votes is required to:
- cases stated in article 27 §3, §7 and 28 §1 of the Articles of Association,
- the acceptance of a new Member,
- the expulsion of a Member,
- the cessation of the issuing of insurance policies or
- the decision to dissolve the Association.

Reporting

Minutes are kept of every meeting. They are signed by the Chairman after approval. Copies and extracts of minutes are signed by the Chairman or a member of the Executive Committee.

Remuneration

Directors of the Mutual are not remunerated with the exception of the Directors who do not represent a Member, which receive an annual fee for their duty as Board members. Board members, travelling on ELINI business will be reimbursed for travel expenses according the Board expense policy.

Conflict of interests

All members of the Board shall withhold from participating in discussions and decisions whereby they have a personal or business interest for their company, which is not compatible with the interests of ELINI or where the decisions within ELINI concerns the individual ELINI Member to which the Board member relates as an employee.

The Chairman of the Board starts the Board meetings by asking if there are any conflict of interest that may be existing in relation with the agenda. These members shall in each case where they feel confronted with such a conflict of interests, inform the Chairman of the meeting where such point is on the agenda, so that in due time can be decided how to deal with the further discussion and decision process. Potential conflicts are registered in the minutes of the meeting, reported to the Chairman of the Board and registered in the Conflict of Interests Register

b) Executive Committee (composition, functions, operation)

Competences

The Executive Committee has full authority to undertake the daily management of the Association.

In line with the fit and proper requirements applicable by the fit and proper policy, the Management performs annually a self-assessment during the Management Meeting, where the different functions in ELINI can express their views.

Composition

Two Members of the Executive Committee are members of the Board of Directors, appointed or dismissed by the Board of Directors, subject to prior written approval by the Belgian supervisor who assesses each candidate in accordance with the principles included in the circular on Fit & Proper requirements.

The Executive Committee meets under the presidency of its Chairman as often as the interest of the Association requires. Members of the Executive Committee are collegially responsible but it does not prevent members from having allocated specific areas of responsibility and lines of reporting.

The Executive Committee may call upon the services of any person whose presence is considered to be useful. Such person shall have no vote in the proceedings.

Voting system

At this moment, the Articles of Association stipulate in Article 23 § 3 that all decisions of the Executive Committee are taken by simple majority of expressed votes. All members of the Executive Committee are entitled to one vote. In the case of a tied vote, a new vote will be organised.

Remuneration

Members of the Executive Committee receive no additional compensation for their engagement and were just remunerated as salaried staff until the 31/12/2020. To comply with the Communication NBB-2020-017 dated 05/05/2020, they have become self-employed and receive fees as from 01/01/2021.
As from 01/01/2024, the Executive Committee consists of three Members, one additional member compared to the previous year.

Internal distribution of the tasks of the Executive Committee members

The Executive Committee is a board acting jointly and collegially. It may delegate various tasks amongst its members, but this shall not detract from the fact that they are jointly and collegially responsible.

The Executive Committee may grant special, defined powers to one or more persons of its choice ad may be assisted by any member of staff of the Association.

The current Executive Committee is composed by:

- J-D Treillard
- J. Machtelinckx
- M. Laguna (as of 1 January 2024)

Special powers of the Executive Committee

Special powers are determined and granted by the Board of Directors to the Members of the Executive Committee or to certain members of the personnel. These powers relate to financial and administrative matters and are published in the annexes to the Belgian Gazette "*Moniteur belge*".

Conflict of interests

The Executive Committee meets every month together with the different functions representatives, in a Management meeting. When opening the meeting, the Chairman of the Executive Committee asks if there is any potential conflict of interests with regard to the topics discussed. In case of a potential conflict of interest, the member of the Executive Committee or any member of the Management Committee shall withhold from participating in discussions and decisions whereby they have a personal interest, which is not compatible with the interests of ELINI.

These members of the Executive Committee and the Management meeting participants shall in each case where they feel confronted with such a conflict of interests, inform the Chairman of the Executive Committee where such point is on the agenda, so that in due time can be decided how to deal with the further discussion and decision process. Potential conflicts are registered in the minutes of the meeting, and registered in the Conflict of Interests Register.

c) Advisory Committees to the Board of Directors (composition, functions, operation)

The Board of Directors has created five specialized Committees with an advisory task.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision making process remains the competence of the Board. The existence of the Committees does not decrease the responsibility of the Board as a whole.

The Committees are nominated for the same 3 years term as the Board of Directors.

Committee members are nominated by the Board of Directors for their experience in the specific domains of the Committee they take part in. Every Committee consists of a mix of Board members, other Members and supporting staff to ensure execution and communication on every level of the Association.

After each meeting, the Board of Directors will promptly be informed of discussions and recommendations through the circulation of minutes. The Board will also receive the Committee's recommendations through the Chairman of the Committee or his delegate. Committee members travelling on ELINI business will be reimbursed for travel expenses according to the Advisory Committee expense policy.

In line with the fit and proper requirements, every Committee performs annually a self-assessment.

A description of the working of each Committee can be found on the individual Charter. Each of the members of Committees have to sign a confidentially agreement that is stored.

Conflict of interests

All members of the Advisory Committees shall withhold from participating in discussions and recommendations whereby they have a personal or business interest for their company, which is not compatible with the interests of ELINI or where the decisions within ELINI concerns the individual ELINI Member to which the Committee member relates as an employee.

These members shall in each case where they feel confronted with such a conflict of interests, inform the Chairman of the meeting where such point is on the agenda, so that in due time can be decided how to deal with the further discussion and decision process. Conflicts of interest will be reported in the Conflict of Interests register.

Audit Committee

The Audit Committee has been created to assist the statutory auditor in all aspects of follow-up, handling and development of the control system of the annual accounts.

The Audit Committee reports to and assists the Board of Directors in fulfilling its oversight responsibilities in the areas of corporate governance, risk management, corporate controls, financial communication and all other related areas as deemed appropriate. It is also authorized to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the Statutory Auditor, including reports with recommendations on how to improve the Mutual's control process.

The Audit Committee has a Charter in which is explained the responsibilities and duties of the Committee. The Charter is annually reviewed and when necessary suggestions or amendments to this Charter are recommended to the Board for approval.

The Audit Committee is comprised of at least 3 financial literate members as determined and appointed by the Board of Directors. The majority of the Committee members must be Directors who do not represent a Member. The members of the Committee, individually or collectively, are entitled to receive all information needed to accomplish their tasks as defined and are authorized to request such information from any ELINI employee.

In the scope of the follow-up of the control system of the annual accounts, the Audit Committee with the Executive Committee can discuss and take any preventive / corrective actions if needed.

The Audit Committee meets, in person or by conference call, at least once per calendar quarter. A week before a meeting takes place the agenda is passed onto all members. A quorum exists if one half of the members of the Committee are present. Recommendations are formulated by simple majority with casting vote by the Chairperson. The Committee is authorized by the Board of Directors to engage independent counsel and other advisors as it determines necessary to carry out its duties, but they don't have a vote. Regularly the Statutory Auditor and the Internal Auditor are invited to present and discuss their reports.

The Audit Committee maintains written minutes of its meetings. A summary of the different proposals is included at the end of the minutes of the meeting with the recommendation for approval to the Board of Directors. Recommendations made by the Audit Committee to the Board of Directors will be numbered. The minutes are to be signed by the Chairman of the Committee.

The Audit Committee reports to the Board of Directors.

Risk Committee

The Risk Committee reports to the Board. It provides the Board of Directors with oversight, assessment, and advice on:

- ELINI's current risk appetite, tolerance and strategy, material risk exposures

and future risk strategy and their impact on capital;
- the structure of ELINI's Risk Management Framework and its suitability to react to forward-looking issues and the changing nature of risks;
- the risk policies such as capital management policy, internal control policy and risk management policy;
- its on-going and potential exposure to risks of various types.

The Risk Committee is comprised of members of the Board and as secretary the risk management function. The Risk Committee is nominated for a period of 3-year in line with the term of the Board of Directors. The Board appoints the Chairman.
Members of the Risk Committee are subjected to the fit and proper requirements and therefore perform annually a self-assessment.

The Risk Committee has a Charter in which is explained the responsibilities and duties as an Advisory Committee. The Charter is annually evaluated and when necessary suggestions on amendments to the Committee's Charter are made to the Board for approval.

The Risk Committee meets, in person or by conference call, at least once per calendar quarter. A week before a meeting takes place the agenda is passed onto all members. A quorum exists if one half of the members of the Committee are present. Recommendations are formulated by simple majority with casting vote by the Chairperson. The Committee is authorized by the Board of Directors to engage independent counsel and other advisors as it determines necessary to carry out its duties, but they don't have a vote. Regularly the Compliance Officer, Actuary and Risk Manager are invited to discuss their reporting.

The Risk Committee maintains written minutes of its meetings. A summary of the different proposals is included at the end of the minutes of the meeting with the recommendation for approval to the Board of Directors. Recommendations made by the Risk Committee to the Board of Directors will be numbered. The minutes are to be signed by the Chairman of the Risk Committee.

Insurance Advisory Committee

The Insurance Advisory Committee reports to the Board. It has been created for considering and making recommendations to the Board of Directors on the underwriting of insurance covers granted by the Association and major strategies.

The Insurance Advisory Committee will perform a technical assessment on candidate Members who wish to join the Mutual.

The Committee is comprised of suitably qualified members as determined and appointed by the Board of Directors. The Committee establishes a regular meeting schedule and meets with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities, but in no event fewer than two times annually.

The Committee maintains minutes of its meetings, as well as records of the Committee's activities in carrying out its duties and provides copies of such minutes and records to the Board and regularly reports on its actions to the Board. The Committee may seek advice from others and request attendance of any other person as it deems appropriate.

The working and responsibilities of the Insurance Advisory Committee are incorporated in the Charter of the Committee.

Finance and Investment Advisory Committee

The Board of Directors together with the Finance and Investment Advisory Committee have the responsibility and competence for the setting of the financial investment guidelines and the choice of the investment managers.

The Board decides on the strategic allocation of funds. The FIAC may recommend to temporarily allow the management to deviate from this allocation, using a tactical allocation e.g. to protect the treasury. The Committee's treasury management is frequently monitored by the Executive Committee and the Board of Directors.

The Finance and Investment Advisory Committee discusses and concludes a contract with the investment managers in line with the guidelines for investments, monetary and assets.

In the scope of the follow-up of the investment contract, the performances and results of the investment managers will be discussed. From these data, the Financial and Investment Advisory Committee will recommend upon the corrective and preventive actions to undertake and also identify any additional measures to be taken.

The Finance and Investment Advisory Committee will perform a financial assessment on candidate Members who wish to join the Mutual. Candidate Members with an external credit rating above the minimum that is required are considered to be financially robust and therefore able to meet their calls exposure. The same assessments will be also applied on an annual basis for the existing Insured Members. The calls exposure policy is further explained in the procedure manual.

The Committee is comprised of at least 4 suitably qualified members as determined and appointed by the Board of Directors. To ensure the implementation of the Committee's advice the Financial Manager and Asset Manager are also member.

The Committee may call upon other persons whose presence could be useful but their attendance is non-voting. The Finance and Investment Advisory Committee reports directly to the Board of Directors.

The working and responsibilities of the Finance and Investment Advisory Committee are incorporated in the Charter of the Committee.

Legal Advisory Committee

The Legal Advisory Committee is responsible for considering and making recommendations to the Board of Directors and to the Executive Committee on the legal matters of nuclear third party liability and insurance and on other legal business of ELINI.

To assist the Board of Directors, it is responsible for reviewing strategies, plans, policies and actions related to the legal matters within ELINI and the nuclear third party liability field.

The Legal Advisory Committee reports to the Board of Directors. As such, the Legal Advisory Committee is not an legal consultant for the Management, on the day to day business, that remains under the Executive Committee's responsibilities.

The working and responsibilities of the Legal Advisory Committee are incorporated in the Charter of the Committee.

2.2. Remuneration

a) Policy

ELINI's overall remuneration system has been designed to deliver compensation, driven by both mutual and individual performance, and according to its Members' interests. The focus will be on and long-term performance and will be aligned to market levels. Our principles are inspired by the Financial Stability Board principles for sound compensation practices.

Board Members representing a Member as well as Executive Directors receive no remuneration for their role as such (being a member of the Board of Directors or of the Executive Committee). Only Directors who do not represent a Member receive a fixed but modest cash amount per year which is approved by the General Meeting for the current financial year. No variable nor incentive programs are included for any Board member.

Members of Advisory Committees receive no additional compensation, fixed or variable, for their contribution to the Mutual, unless agreed upon by the Board of Directors for committee members that do not represent a Member.

Actual expenses in connection with Board and Committee meetings are reimbursed.

Members of the Executive Committee receive no additional compensation, fixed or variable, for their contribution to the Mutual except their remuneration as Independents mentioned in the section related to the remuneration of the Executive Committee. The Executive Committee members have a non-quantitative objective in their goals that is related to sustainable finance in the Risk Management system.

Senior Management and staff are employed on a contractual basis. Their remuneration is subject to annual reassessment. A desire to ensure that ELINI is able to attract and retain managers with the best possible qualifications and the existence of sound succession plans have a decisive influence on the remuneration. The compensation package consists of 3 integrated elements: a base pay, appropriate benefits and an annual pre-agreed, personalized incentive bonus. The remuneration policy is designed so as not to encourage unauthorised or unwanted risk-taking that exceeds the level of tolerated risk of the undertaking.

By delegation of the Board, the remuneration of the Executive Committee members is decided by the Chairman of the Board together with other Board members.

The remuneration of the "Risk Takers" functions that are on the payroll, are also decided by the Chairman of the Board together with other Board members.

b) Implementation Process for ELINI staff

Base salary levels are designed to compensate the Mutual's officers for their responsibilities and their experience. Market levels for comparable positions are targeted for the base pay and the base pay levels are subject to regular reviews. Except for annual cost of living adjustments required under Belgian law, there is no mechanism for automatic adjustment. In addition, some appropriate employee benefits are given fully in line with what the insurance sector allows.

The annual incentive bonus recognizes and rewards individual performance as well as team performance but is never a substantial proportion of the compensation package. The form of variable compensation can be cash or transferred in an option incentive plan. The funding levels for the annual incentive bonus are dependent upon non-financial criteria such as personal development and contribution to an improved Member-relationship. Bonuses are not guaranteed because they are not consistent with the pay-for-performance principle.

Management and key/critical functions that are on the payroll, are employed on a contractual basis. A desire to ensure that ELINI is able to attract and retain persons with the requisite skills and experience best possible qualifications and the existence of sound succession plans have a decisive influence on the remuneration. However remuneration also has to make financial sense from the Mutual's point of view to maintain its competitive cost structure.

Key/critical functions that are outsourced will follow the outsourcing policy and the outsourcing process in which a market competitive remuneration assessment is included.

Annually, the Managing Director will present the total remuneration package to the Chairman of the Board of Directors for approval. He will conduct an independent review together with the other Executive Committee members on the suggested bonuses and the proposed compensation policy for the next year before making the proposal to the Chairman of the Board of Directors.

Key/critical functions that are outsourced will follow the outsourcing policy and the outsourcing process in which a market competitive remuneration assessment is included.

2.3. Membership

a) Process for monitoring the changes in the Membership structure

The Members of the Association are most of the original "Signatory Members" of the Articles of Association, as published in the Belgian Gazette "*Moniteur belge*" of December 19th 2002, as well as all the "New Members" approved after this publication by the General Meetings as it is specified in article 6 §2 of the Articles of Association.

Election of a New Member shall be subject to the following conditions:

- The New Member must be a company or authority in the private or public sectors which has an insurable interest in a nuclear installation or installations, directly or indirectly, or their representatives.
- The New Member must be accepted by the Board of Directors on the basis of the terms laid down by the General Meeting.
- The New Member must unreservedly accept these Articles of Association.
- The New Member must take out or have the intention to take out at a later stage at least one insurance policy, with unreserved acceptance of the rights and obligations attaching hereto.

Membership shall be submitted to the Board of Directors and shall become effective when determined by the General Meeting.

The main benefits to Members of ELINI include:

- additional insurance capacity in view of a revision of the Paris Convention and Brussels Supplementary Convention;
- alternative insurance capacity for terrorism cover and 30 years prescription period
- potential for contribution savings;
- exchange of information and data on nuclear insurance matters.

Each of the ELINI Members is an important player on the international energy market and is therefore submitted at intensive surveillance by national and international authorities. Due to their size and (self)control, ELINI considers its Members as being reliable and financially sound. Still a financial assessment is performed for every candidate Member on the one hand and a yearly financial review for existing Members on the other hand.

b) Categories of Members

Insured Members

Members insured by the Association have the status of “Insured Members”. However, a Member can only obtain the status of “Insured Member” after the acceptance of the proposed risk by decision of the Executive Committee applying article 22 of the Articles of Association. This status is retained by the “Insured Member” as long as an insurance policy issued in his name is in force.

Insured Members are divided in two categories:

- Insured Members who are required to have and maintain insurance or other financial security, in the strict context referred to by Article 3 § 1 of the Articles of Association, amounting to a maximum of 700.000.000 € belong to category A.
- Insured Members who are required to have and maintain insurance or other financial security, in the strict context referred to by Article 3 § 1 of the Articles of Association, amounting to an amount between 700.000.000 € and a maximum of 1.200.000.000 € belong to category B.

Non-Insured Members

Members having not fulfilled the obligation to take out at least one insurance policy but are likely to do so have the status of Non-Insured Member.

- Pre-Capitalized Non-Insured Members or Supportive Members

These Members take part in the constitution of the starting fund or of the guarantee fund with an amount fixed by the Board of Directors on the terms lay down by the General Meeting.

- Non-capitalized Non-Insured Members

These Members have not taken part in the constitution of the starting fund or of the guarantee fund.

c) Members’ Meeting

ELINI encourages its Members to participate at the Members’ Meetings. To facilitate this, agendas and all other relevant information are sent in advance of the Members’ Meetings. During the meeting, the Board of Directors presents a management report and financial overview of the latest financial figures.

According to Article 11 § 1 of the Articles of Association, the Annual General Meeting must meet on the last Thursday of April. Yearly two Members’ Meetings can be organised, one usually held in June and another one in the second half of the year. As such the Members’ Meetings are in general organized in June and October. From 1st January 2024 on, the October meetings will be held in November each year.

3. Fit & Proper, external functions and transactions with Governing Bodies

ELINI follows the principles conform to the Circular NBB_2018/25 of 18 September 2018 on the Suitability of directors, members of the management committee, responsible persons of independent control functions and senior managers of financial institutions and as published more in particular in the Manual on the assessment of suitability (Fit and Proper) as modified on 20 December 2022.

ELINI has a fit & proper policy in place that is updated and approved by the Board on an annual basis. The objective of this policy is to guarantee good governance in ELINI by ensuring the quality of its Directors and Managers in compliance with the NBB Fit & Proper handbook.

3.1. Fit & Proper

a) Policy

ELINI updates and discloses a fit & proper policy to the NBB. Two standards of evaluation are at the center of the fit and proper policy:

1) Expertise (« fitness »):

A person is considered as being expert ("fit") for a specific function when he / she combines knowledge and experience, skills and the professional behaviour required for the function in question.

2) Professional worthiness (« properness »):

The professional worthiness concerns the honesty and the integrity of a person. A person is considered as professionally honourable (" proper ") in the absence of elements indicating the opposite and when there is no reason for questioning reasonably the good reputation of the person involved. In other words, we can leave the principle that the person will execute in an honest, ethical and integrate way the task which is confided to him (her).

All people occupying critical functions in ELINI are aimed by this policy. By critical function we understand:

- The members of the Board;
- The members of the Executive Committee;
- Four key functions defined in the Directive Solvency II: Actuarial, Compliance, Risk Management and Internal Audit Function.
- Any other function which ELINI would estimate as critical for the smooth running of the company either internal or external.

Critical functions should have the necessary professional expertise, the skills and the worthiness to be able to perform their functions. The same requirements apply to the holders of any critical outsourced function.

In order to remain fit & proper, ELINI at least yearly evaluates the critical functions. The Board and Executive Committee therefore performs an annual self-assessment. The key functions are assessed yearly by the responsible person.

b) Implementation Process

"Fit and proper" implies a thorough process of evaluation which allows to obtain, by means of various relevant elements, the most complete possible image of the capacity of a person for a determined function. The evaluations concerning, on one hand, the expertise and, on the other hand, the professional worthiness of a person, are complementary.

The available information which can support a "fit and proper" file is always used and balanced according to their relevance and to their importance compared with the responsibilities. Several weighting factors allow not granting the same importance for all the elements of the case. ELINI takes into account following weighting factors:

- The gravity of the information in the light of the objectives of the prudential control;
- The seniority of the information;
- The attitude and/or the motivation of the concerned person with regard to the information;
- The combination of available information.

A global overview of histories and available information allows to obtain a less static and precise image of the functioning of the person. The combination of the information gives an idea of the way of functioning and/or the carelessness of a person and can lead to the conclusion that the interested is not considered (any more) as being capable or has to improve its expertise on a very precise point.

The evaluation of capacity takes place as in principle before the entry in a function or during a change of function. For every function which enters the scope of this policy, ELINI records in writing a detailed function profile which indicates clearly how the fit and proper standards become a reality for this function.

Certain events give rise to a revaluation of the suitability of the persons in scope of this policy such as restructuring, change of function, conflicts of interest or legislation. Moreover a suitability assessment of the persons in scope of this policy will be carried out on a regular basis.

3.2. Loans, credits or guarantees and insurance contracts for Governing Bodies

a) Process for monitoring transactions with Governing Bodies

There are currently no loans, credits or guarantees and insurance contracts granted to Members of the Board of Directors or Executive Committee.

4. Risk Management System, ORSA process and risk management function

4.1. Risk Management System

a) Framework for risk appetite and tolerance limits

The appetite for risk represents the underlying foundation of any effective Risk Management System. Understanding risk appetite helps Boards and managements to make better strategic and tactical decisions. It enhances understanding of Board and stakeholder expectations and enables risk-reward decision-making. It reduces the likelihood of unpleasant surprises.

The ability to take on risks is determined by more than just a capacity to absorb losses. The ability to manage risks based on skill sets and experience, systems, controls and infrastructure is also crucial. Understanding risk appetite helps in the efficient allocation of risk management resources across a risk portfolio, and may enable the pursuit of business opportunities that, without an understanding of the appetite, would otherwise be rejected.

The Risk Appetite Framework (RAF) is defined as being the overall approach, including policies, processes, controls, and systems, through which risk appetite is established, communicated, and monitored. It includes a risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

The RAF has been developed to articulate the level of risk that the Board is willing to accept in order to achieve the overall strategic objective.

The RAF contains the following characteristics:

- Identification of the key areas used to measure the success in achieving its overall objectives. These have been determined as free reserves, underwriting results, solvency, liquidity and reputation. These are referred to as “Dimensions” in this report;
- Quantification of the risk appetite attributed to each of the areas above, where quantifiable;
- Risk Profile (Risk Log): all of the risk faced by ELINI are identified, shortly described and categorized both for the head office and its Branches.
- Integration and control of the risk appetite through the Association;
- Dashboard for monitoring.

We define the risk appetite as being the nature and quantity of risks that ELINI is ready to accept or to tolerate in the pursuit of its strategic objectives, taking into account the expectations of the stakeholders.

The risk tolerance defines the maximum amount of risk (bearing activities) needed to achieve all the organisational strategic objectives while simultaneously remaining compliant with the stakeholder’s expectations.

The risk target is the optimal risk level to achieve the strategic objectives with respect of the tolerance limits.

b) General risk management policy

ELINI assumes risk to generate an adequate return on capital. The success of its business model therefore depends materially on its ability to manage risk. ELINI considers the implementation of a suitable and effective Risk Management system as a strategic imperative not only to meet increasingly changing regulatory requirements but also to gain a competitive edge by improving its understanding of its own risks and overall solvency needs.

As an integral part of ELINI's business cycle, the Board shall approve the Risk Strategy and issue a Statement of Risk Appetite. "Risk" is defined as the degree of uncertainty with respect to achieving planned goals and targets and equally encompasses the probability of loss or gain. The Risk Strategy, including the Statement of Risk Appetite shall be clearly reflected in the agreed business targets, financial budgets, underwriting guidelines, and operational plans.

The Board delegates to the Risk Committee the responsibility to supervise the implementation of the risk management processes and policies by the Executive Committee. The function uses the Executive Committee member in charge of the Control operations, as a referent, to ensure risk management is correctly embedded within all operations and in all departments.

A Risk Management Policy documents ELINI's internal Risk Management guidelines that staff members are required to observe when exercising their day-to-day responsibilities. The purpose of the Risk Management Policy is to establish a Risk Management framework that enables ELINI to achieve an accurate and timely understanding of (1) the nature, materiality and sensitivity of the risks to which it is exposed, (2) its ability to mitigate and manage them, and (3) to deal with them should they fall outside the stated Risk Appetite and agreed risk tolerances and limits. ELINI's Board owns the Risk Management Policy. As such, the Board is responsible for the approval of any periodic changes and revisions introduced to this document.

ELINI's Risk Management Policy, its Risk Management System and ORSA are to be reviewed by the Board at least annually. The review will be based on input provided by the Risk Manager and Senior Management. More regular reviews may be undertaken when required or when there is a material change in the business or risk profile of ELINI or where a risk issue which raises doubts about the effectiveness of the Risk Management System has been identified.

The Executive Committee is informed at least monthly. The Risk Management function will annually disclose a risk management report as well as for the year to come a risk management plan.

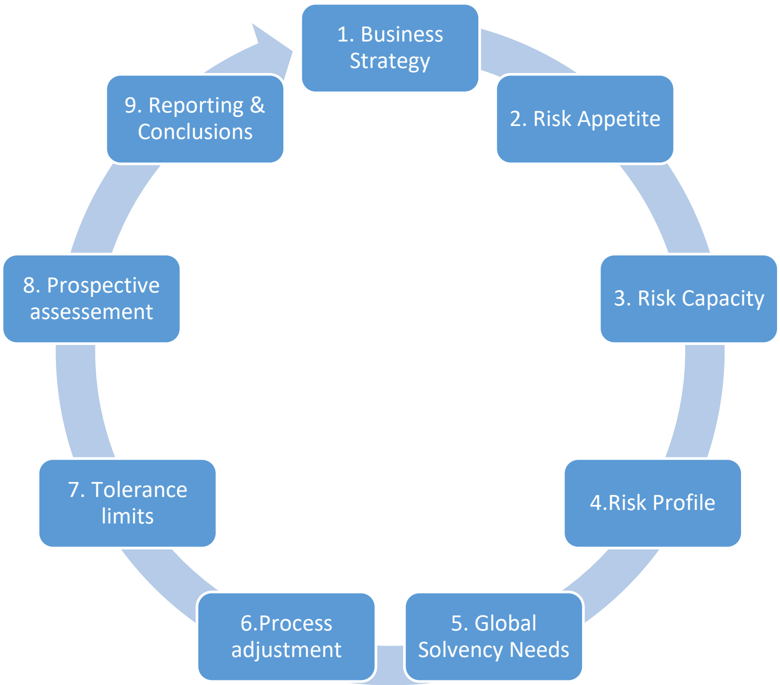
The Executive Committee will report to the Board at least yearly on its assessment of material risks and on any significant changes to the overall risk profile of the company including actions being taken to mitigate or control key risk exposures. It reports also on the failures in relation to the risk appetite and precises if that is an asset or a liability breach.

4.2. ORSA process

a) ORSA policy

The ORSA process seeks to draw together considerations of risk, capital and returns within the context of the overall business strategy, both in the present and forward looking, providing a holistic view of the capital, risk and return over the forecast period.

The process is iterative, as outlined below:



The ORSA process is used to:
- Ensure there is sufficient capital available to meet the current business requirements (Solvency II compliance);
- Determine the supplementary capital required to meet the growth and diversification plans and other strategic decisions;
- Ensure that any risks that exceed the risk appetite are identified, assessed and if required the remedial action plan in place;
- Provide assurance to the Board, financial regulators and other stake holders that risk management and capital planning processes are embedded within the business.

The adjustments are the result of exchanges between management and the Board, while operational limits are developed jointly by the risk taker and risk management function.

We must therefore expand and review some future scenarios (defined in terms of the most significant risks), to change the risk parameters and compare the different risk margins and the respective capital requirements and then take recapitalization measures or risk mitigation if necessary. We are then able to conclude whether the tolerance limits are exceeded and whether measures should be taken.

It is important that the ORSA process is a continuous reiterative process which is embedded within the business decision making and strategy setting process.

ELINI performs an ORSA at least annually or when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported by Risk Manager.

b) Implementation process

The overall purpose for the ORSA assessment is to ensure that we can continuously meet our current and planned future regulatory targets and internally set capital target, in the face of planned changes to the risk profile and business plans as well as expected development in the external environment.

As a management tool, it is designed to embed risk awareness within the business culture and decision making. It is an integral to the successful delivery of the overall strategic plan as it provides the management with a good understanding of the risk it is assuming and the capital required to cover those risks. It must be treated as a management process rather than a compliance exercise.

The targeted Solvency ratio under Solvency II for the next 3 years is defined by the Board and set at minimum 149 % including eligible tier 1 and eligible tier 2 ancillary own funds.

TIME HORIZON

The time horizon of the ORSA is fixed to 5 years, same horizon as used in the strategic business plan. The strategic business plan is the Base scenario of the forecasted P&L and Balance Sheet. For the solvency projections in ORSA use will be made of best estimates, market value balance sheet and SCR from Pillar I calculations as starting point.

SCENARIO - STRESS TESTS

The figures of the Strategic Business Plan (SBP) form the basis for the projection of the technical provisions and the incoming and outgoing cash flows, which in turn lead to the calculation of the projected SCR and SCR ratio. The final result is the "Base Case" and gives the expected capital needs/surpluses.

Besides the base scenario, Elini also analyses the effects of adverse developments on its solvency position. This is done with the help of scenario analysis - assessing the impact of a combination of factors - and stress testing.
The goal of applying scenarios is to address the main risk factors ELINI may be exposed to;

- Address specific vulnerabilities (regional, sectorial characteristics, specific products or business, …);
- Contain a narrative scenario which includes various trigger events;

A range of scenarios are considered encompassing different events and degrees of severity:

- normal business scenarios;
- more pessimistic scenarios;
- narrative scenarios;
- reverse scenarios.

Concerning stress testing, we have our own guidance:

- Stress testing program and assessing its effectiveness;
- The stress testing program is used as a risk management tool supporting business decisions and actions;
- Sensitivity analysis for specific risks, if necessary;
- Reverse stress testing, of issues that threaten the viability of the company, are also analysed.

- The management, in consultation with the Risk Manager, annually reviews the stress tests and proposes them to the Risk Committee. The Risk Committee on its turn reviews and finetunes the stress tests and makes a recommendation to the Board of Directors who decides on the stress scenarios to be analyzed in full for the given year.

ELINI conducted in total 12 tests in 2024. Some scenarios are only partially reviewed. These limited tests are investigated and qualitatively analysed but not fully analysed quantitively with an SCR ratio for 5 years.

However, in the end 7 stress scenarios resulted in a full calculation of the future SCR according to the Business Plan : 2 claim scenarios, 3 market risk scenarios, and 2 business development scenarios.

USE OF THE ORSA RESULTS

A part of the ORSA is the determination of the capital needed to manage the business. The results of ORSA are used for:

- Yearly evaluation of the risk appetite framework in relation to the capital position and the strategy;
- Start the strategic business plan with the most recent capital assessment;
- Monitoring capital position from regulatory, rating agencies and internal angle;
- The assessment of the target and realized solvency ratios;
- An analysis of the evolution of the capital position and the forecast of eventual funding requirements on the horizon period.

MANAGEMENT ACTIONS

We use the results of the ORSA to take management actions like:

- Accept the risks;
- Mitigate the risks;
- Transfer the risks;
- Terminate the risk generating activity.

FREQUENCY OF THE ORSA AND TRIGGERS

We perform an ORSA at least annually and an update when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported.

The first step in the ORSA is to determine if the information used in the last ORSA is still up to date:

- Any material changes in the business strategy?
- Any changes in the risk appetite?
- Has the risk profile changed?
- Analyse the capital position and the quality of capital (classification in tiers);
- Analyse the appropriateness of the model (standard model) for representing the risk profile.

Examples of trigger for updating the ORSA:

- An event that significantly changes risk profile;
- A significant change in the financial markets that has a big impact on the value of the asset portfolio;
- A significant change in regulation.

The decision of performing an update of the ORSA is taken by the Executive Committee.

REPORTING
The annual ORSA report will contain at least information on:
1. Risk Profile:
2. Key Observations:
3. Risk Assessment;
4. Regulatory Capital Requirements;
5. ORSA Capital Requirements.

This report will be discussed at different levels:
- First level: the report will be pre-discussed in the Risk Committee;
- Second level: the resulting ORSA report will be approved by the Executive Committee;
- Third level: finally, the report will be discussed and the sign off will be given by the Board of Directors.

QUALITY REVIEW
The quality review is conducted by the Executive Committee and acknowledged by the Board of Directors. The quality review will treat at least the following aspects:
- The ORSA policy;
- The ORSA process;
- The methods used;
- The outcome of the ORSA and the follow-up of management actions.

The following criteria will be judged to assess the quality:
- Training and experience of staff involved;
- The cooperation between key functions: actuarial function, risk management, compliance;
- The involvement of management.

4.3. Risk Management Function

The Risk Management Function, is responsible to maintain an enterprise-wide aggregated view on ELINI's risk profile and operate its Risk Management System, monitors and reports to the Risk committee on actual risk exposures in comparison to Risk Appetite, Risk Tolerance and solvency requirements as set by the Board.

The Risk Management Function, objectively and free from the influence of other parties, is responsible for:
- implementing appropriate methodologies and procedures to assess ELINI's risks and solvency position ensuring their assessment is consistent with prevailing professional standards and regulatory requirements.
- implementing appropriate methodologies and procedures for risk assessment including Risk Policy and Risk Strategy.
- Reporting details of material risk exposures and advising the Board, Executive Committee and senior management with regard to risk management matters including the Risk Appetite, risk tolerances and risk limits.
- Monitoring risk aggregations (and diversifications) across lines of business, geographies, risk types and categories, etc.

The Board retains the ultimate responsibility for defining the ELINI’s Risk Strategy and Risk Appetite by setting the overall levels of business risk that are acceptable and approving its Risk Strategy having regard to generally accepted principles of prudence as well as prevailing legal and regulatory requirements.

A Risk Committee is established by and among the Board of Directors to properly align with Management as it embarks a risk management program. The primary responsibility of the Risk Committee is to oversee and recommend the Mutual-wide risk management practices and appraise the effectiveness of the risk management function.

The Risk Management function works closely with the other control functions including the internal auditor to make sure that the full scope of control is covered but not twice.

More information on the working of risk management can be found in the Risk Management Policy and internal Control Policy.

5. Organizational structure, internal control, compliance function, integrity and IT infrastructure

5.1. internal Control System

a) Identification and assessment of the risks

The permanent control system has to lean on an analysis and a measure of the risks, regularly updated, by every person in charge of business units (which are risk owners).

Every stakeholder within ELINI has an internal control responsibility. The Board of Directors is responsible for promoting a high level of integrity and for establishing a culture within the Association that emphasis and demonstrates to all levels of personnel the importance of internal control. Management is responsible for the implementation of the internal control principles. It is therefore essential that everyone included all personnel, understand the importance of internal control and engage actively in the process according to their responsibilities and specific duties.

In establishing and maintaining an effective system of internal control, ELINI assess both the internal and external risks that it faces as well at the level of the Brussel's head office, as at the level of the branches. Assessment includes the identification and analysis of all significant risks that the mutual is exposed to. Once the Association has identified and analysed its risks, an annually evaluation of the effectiveness of our control system is performed. If required, further actions will be undertaken to mitigate the risk. A signed and dated self- assessment declaration by the risk owner or manager in question provides a detailed report on risk exposures and advise on risk-management matters.

For the identification and description of risks, ELINI has focused on key risks and on management related controls that mitigate those risks. ELINI's key risks definitions are based on existing information such as different control reports and regularly self-assessments. To lead to an efficient identification of those controls, interviews were conducted with every member of the Management. All this information has come together in a working document referred to as ELINI's risk log.

The risk log identifies ELINI's key risks. The management crosschecks the type of risk with existing control measures to see how they are currently mitigated. This exercise is performed at the end of each year and in preparation for the year to come.

In the risk log, ELINI additionally estimates the potential loss given default of each risk category in case the risk should occur. In order to quantify each individual risk, ELINI therefore combines two parameters which are the probability of occurrence and the (financial) loss impact. Furthermore, an evaluation is made on the effectiveness of the current controls so that the Association can target threats and plan actions were needed.

Each person in charge receives yearly a personal self-assessment form enumerating all risks falling under his authority. This form allows him to analyse and evaluate his control measures on risk and, if needed, plan action. Further, the person in charge declares that his self-assessment has been completed to his best ability before dating and signing off the document.

Finally, ELINI emphasises that risk awareness is a priority of every member of staff.

A specific assessment on internal control of the Swiss and other Branches is disclosed yearly to the local Supervisor.

Policies and procedures

Policies and procedures are instruments of organization and control that contribute to the realization of the fixed objectives. They have to be in adequacy with the various identified, easily accessible risks and be the object of a communication and adequate trainings. They must be updated also regularly. The risk owners are responsible for the maintenance of processes and procedures.

Control plans

By "control" of course it is a question of supplying the assurance of the conformity of the operations and the processes with one or several standards or rules, as well as the good implementation of the procedures. In a general term, it indicates any measure taken by the management, the internal or external auditors or the other parties to manage the risks and increase the probability that the purposes and the fixed objectives will be reached. The risks so identified that we want to master give rise to the implementation of controls, automated or not, among which the intensity and the rhythm are proportioned at the level of incurred risk.

Control processes occur throughout the entire organisation, at all levels and in all functions, since everyone in ELINI bears responsibility in internal control. Focus will be on "at the top" perspectives, but adequate controls must exist and understood in all departments and by all employees with access to control mechanisms. ELINI uses the four eyes principle to protect itself against mistakes and dishonesty in day-to-day management and outgoing payments and communication.

The Executive Committee takes all necessary internal control measures to ensure that all the divisions of the Association have job descriptions with clear responsibilities. The Executive Committee is responsible for implementing the risk management strategy and designing the structure so it is integrated into the organisational structure.

Management is charged with the maintaining of the internal control systems. Every manager establishes in his department policies and procedures in order to secure that the internal control directives are carried out and that there are sufficient tools for monitoring. Those procedures are gathered in a global Internal Procedure Manual. A manager will regularly monitor whether his procedures are working by periodic checks and balances such as testing of the system, supervision of day-to-day operations, auditor reviews, staff meetings etc. This gathering of information helps him in evaluating if procedures are sufficient and understood by all applicable personnel. Evaluating his staff, a manager determines as to what their jobs are, what their limitations are and where personnel lacks formation.

Reporting and recommendations

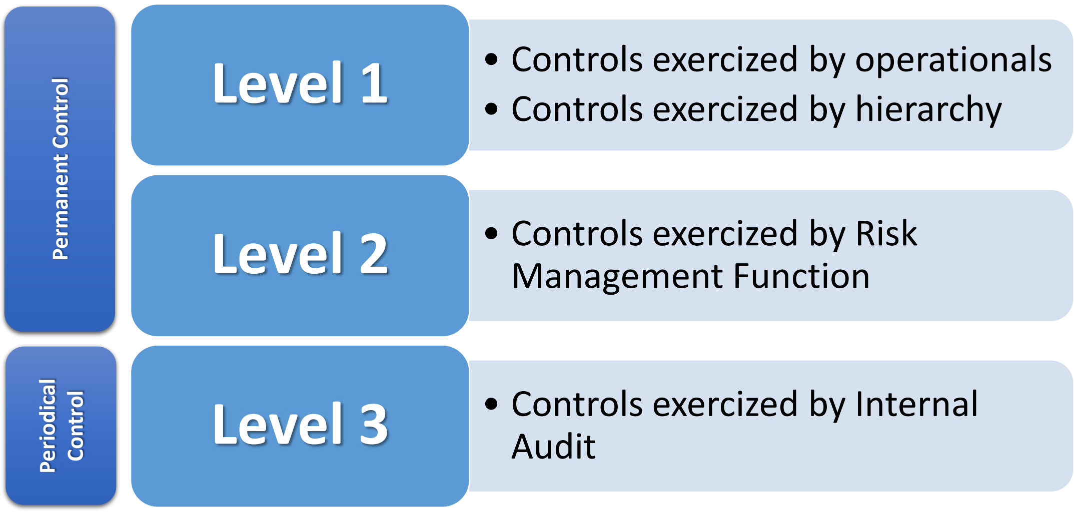
The reporting is the responsibility of the Risk management function.

Further to a report on a situation of failure or inefficiency or an evolution of the permanent control, various participants can emit a recommendation (the Supervisor, the Statutory Auditor, the Internal Auditor) or introduce an action of correction / prevention. The impulse of actions of correction or prevention and their follow-up are the current responsibilities of the management. The level of formalization in the action plan possibly implemented and its follow-up must be proportioned at the incurred risk, at the difficulty of implementation, at the desire at the risk of the Mutual.

Piloting, action, arbitration

Every person in charge examines regularly the business unit he is responsible for in order to enhance the control system, in particular the procedures, the controls or the monitoring systems of the risks. These decisions also include the organization and the affectation of means in resources (human or computing).

The piloting by the person in charge also has to take into account the contributions of the periodic control and those of the external audit and the Supervisor, of which in particular all the recommendations and the proposals concerning the permanent control system.



5.2. Compliance Function

The Compliance function is in ELINI executed by the Compliance officer. The Compliance officer makes proposals as regards the integrity policy to be followed by the Association and submits them for approval to the Board of Directors. He acts as an adviser to the Executive Committee on the measures to be taken within the context of integrity policy and applicable law, to ensure the development of the entity’s integrity code.

The responsibility of the Compliance function is to proactively:

1. identify, assess and monitor the compliance risks faced by ELINI: in particular the most important mission of the Compliance officer is to master the legislative and statutory environment and to watch his respect by ELINI;
2. assist, support and advise management in fulfilling its compliance responsibilities;
3. advise any employee with respect to their (personal) compliance obligations thereby helping ELINI to carry on business successfully and in conformity with external and internal standards.

The task of the Compliance officer is not limited to analysing the situation, identifying a solution and giving advice to management. The Compliance officer must continue to pursue the matter until a satisfactory solution has been fully implemented. If necessary, the actions taken should include escalating the issue to a higher level.

The Compliance function activities include:

- Identification and prioritization of potential compliance risks leading to damage to ELINI's reputation, legal or regulatory sanctions, or financial loss to safeguard the Mutual's reputation, the members of its legal organs of administration, the management, the employees, and in particular the rules of integrity and ethics. The function also includes assessing the possible impact of any changes in the legal environment on the operations of the insurance undertaking, and the identification and evaluation of risk of non-compliance;
- Development and implementation of risk mitigating measures, including clear standards, procedures and guidelines (Business Standards – see point 2) to prevent, mitigate or minimize (important) compliance risks and to detect, report and respond to compliance violations;
- Risk monitoring in particular the Compliance Risk Assessment (CRA);
- Incidents management: reporting in the ad-hoc tool, initiate and drive appropriate action;
- Training and education of personnel where needed;
- Implementation of the Compliance policy and minimum standards;
- Leading the relationship with the Supervisor in compliance related matters.

Material compliance incidents are periodically reported.

The incidents can fall in one of the following categories:

1. Internal Crime and Fraud (e.g. internal fraud by employee);
2. External Crime and Fraud;
3. Business Product Malpractice (e.g. misspelling/misleading a Member);
4. Employment Malpractice (e.g. harassment by ELINI's employee);
5. Unauthorised activities (e.g. activities adverse to ELINI's Business Standards);

Independence

The Compliance function is a key function and must be fit and proper. Therefore, the Compliance function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of its duties. The remuneration of the Compliance function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

To avoid potential conflicts of interests, the Compliance function will report directly to the

Board of Directors. The function uses the Executive Committee member in charge of the control operations, as a referent, in order for him to implement the actions within ELINI that allow the Compliance Function to operate properly.

The compliance officer has the widest access right to the information. He benefits from the largest right of initiative. The Compliance Officer can rely on a Charter in which is explained the responsibilities and duties of the Compliance function.

Reporting & planning

A yearly compliance report and plan is provided to the Board, Risk Committee and Executive Committee in which key risks, major developments and issues and compliance incidents are brought to attention, including recommendations for follow-up. The report is also disclosed to the Members on the Members meeting and to the Supervisor. The plan will contain focus points for the year to come.

If needed, the Executive Committee or Board gives new or complementary missions to the Compliance function.

Key function

The Compliance Officer works in parallel with the other key functions who interact the notices on the contractual, statutory and regulatory measures.

Escalation procedure

In case of blocking, the compliance officer has the obligation to inform immediately the Chairman of the Board, and the internal and external auditors.

Capabilities

In case of replacement of the Compliance function, ELINI will inform the Supervisor, motivate the decision and wait for confirmation before appointing his successor. The Compliance Officer in Belgium is submitted to the fit & proper policy and procedure at the NBB.

6. Internal Audit Function

Object

The Internal Audit function constitutes a function of independent evaluation within ELINI charged to examine and to estimate the efficiency and the management of its activities. The objectives of the Internal Audit function are to assist the Management of the Association and the Board in the effective fulfilment of their responsibilities by supplying analyses, evaluations, recommendations, advices and information about the examined activities and by promoting an effective control to a reasonable cost.

The Internal Audit function is controlled by the Board and its responsibilities are defined by the Audit Committee of the Board, as being part of the control function.

Professional standards

The staff of the Internal Audit, either the internal staff, or the staff of an outside consultant, will conform to the "Code of ethics" of the Institute of the Internal Audit. The "Standards for the Professional practice of the Internal Audit" and the "Definition of the Responsibilities" will constitute the procedures of functioning of the department.

Furthermore, the Internal Audit will conform to guidelines and to procedures of ELINI as well as to the "Internal Audit charter".

The Internal Audit function is considered to be a key function and has to be fit and proper. Therefore, the Internal Audit function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of their duties. The remuneration of the Internal Audit function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

Powers

Powers are granted to the Internal Audit function to guarantee a total, free and unlimited access to files, to material properties and to staff concerned by any examined function. All the employees are asked to give assistance to the Internal Audit function in the execution of its function. The Internal Audit function will also have a free and unlimited access to the Chairman of the Board and to the Audit Committee. Documents and information given to the Internal Audit function during a periodic examination are treated in the same careful way that by the employees who are normally responsible for it.

Organisation

Within ELINI, the function of Internal Auditor has been outsourced to BDO, the Corporate Village, Da Vincilaan 9 - Box E.6, 1930 Zaventem in accordance with the outsourcing policy principles. However, there is sufficient experience within the Board to challenge the findings of the Internal Auditor. The Internal Auditor has been nominated by the Board for a preliminary period of 1 year, that has been extended for 2 years more by a decision of the Board dated 24th March 2021, until end of April 2023. The Board dated 19th October 2022 has renewed the mandate for another three-year period starting at the date of the AGM in 2023. To ensure his/her independence, the Internal Auditor reports functionally and administratively to the

Executive Committee and to the Audit Committee.

As it is an outsourced function, the function uses the Executive Committee member in charge of the Control operations, as a Person of Contact, in order for him to implement the actions within ELINI that allow the Compliance Function to operate properly.

Periodical monitoring by the management is implemented in order to verify if the Internal Audit and internal control processes are still functioning correctly.

Independence

No element within ELINI can influence the activities of Internal Audit, included the business within the framework of the audit, the procedures, the frequency, the timing or the contents of the reporting to guarantee an independent attitude and free objective reports.

The Internal Auditor will not assume either operational responsibilities or powers in connection with the activities which they examine. Besides, they are not authorised to develop or to promote systems or procedures, to prepare files or to make a commitment in any activity normally subject to an audit.

ELINI enables the person responsible for the Internal Audit to exercise his function in an objective and independent manner and this at every level of the Mutual. Periodical monitoring by the management is implemented in order to verify if the internal audit and internal control is still functioning correctly.

Audit field

The scope of work of the Internal Auditor is to determine whether ELINI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient. The responsibilities of the Internal Auditor are further explained in the Internal Audit Charter.

The key role of the Internal Auditor is to assist the Board and the Audit Committee in discharging its governance responsibilities by delivering:
- An objective evaluation of the existing risk and internal control framework;
- Systematic analysis of business processes and controls;
- A source of information on irregularities and unacceptable levels of risk;
- Reviews of the compliance framework and specific compliance issues;
- Evaluations of operational and financial performance;
- Recommendations for more effective and efficient use of resources;
- Feedback on the values and ethics of the association.

Audit planning

The Internal Auditor starts at the end of year -1 by informing the Audit Committee of the issues and objectives he will focus on for the coming year.

Internal audits take place at the various divisions of the Mutual at regular times in accordance with the Audit Plan that is approved by the Audit Committee.

Reporting

The audits are executed by an external person who will write down his observations in a report for the Audit Committee. This report, if necessary with comments from the Audit Committee, is finally presented to the Board. Yearly the Executive Committee reports to the Board on Internal Audit. The report is also disclosed to the Supervisor.

The person in charge of the Internal Audit can include in the audit report the reactions and the taken corrective actions or to take taking into account the conclusions and the recommendations. The remarks of the Management should include a schedule of completion of the actions to be taken and an explanation for any retained recommendation. The actions taken or planned, as well as the achievement of the deadline, are monitored during each meeting of the Audit Committee.

In case the internal audit report contains any remark, the management of the audited department will react, in writing, prior to next session of the Internal Auditor. The Internal Auditor will be responsible for the appropriate follow-up of the conclusions and the recommendations inherent to the Audit.

7. Actuarial function

The Actuarial function is in charge of the control on the calculations made by the ELINI and to give a level of comfort to the Board of Directors on actuarial processes.

In accordance with Article 48 (2) of the Solvency II Framework Directive, the Actuarial function is carried out by a person who has knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business and who is able to demonstrate their relevant experience with applicable professional and other standards.

The Actuarial function is a key function and must be fit and proper. Therefore, the Actuarial function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of its duties. The remuneration of the Actuarial function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

Due to the size and the activity (mono-line) of the ELINI, the actuarial function is outsourced to Nicolaï & Partners nv, Duboisstraat 43, B- 2060 Antwerpen and therefore complies with guidelines of the outsourcing policy.

According to article 48 of the Directive Solvency II and based on the work of the Actuarial function has the following responsibilities:

Coordination of the technical provisions calculation

Control of the methodologies and hypotheses used for the calculation of the Best Estimates.

The Actuarial function must reveal any incoherence compared with the requirements defined to articles 76 - 85 of the Solvency II directive for the calculation of the technical reserves and proposes, if necessary, corrections.

Control and explanation of the evolution of the Best Estimates

According to the article 48 of the Solvency II directive, the Actuarial function has to explain, between two calculation dates, any importing effects on the technical amount of reserves due to the change of data, methodologies or hypotheses, if these technical reserves are already calculated on basis of the Solvency II directive.

Control the data quality

The Actuarial function estimates the coherence of the internal and external data used in the calculation of the technical reserves compared with the quality standards of the data defined in the Solvency II directive. If necessary, the Actuarial function should supply recommendations as for the internal procedures to improve the quality of the data to guarantee that the Mutual is capable of meeting the requirement of the directive.

Advice on the underwriting and reinsurance policies

The Actuarial function has to express her opinion on the Underwriting policy and on the Reinsurance policy of the Mutual.

When the Actuarial function expresses an opinion on these policies, it should consider the links between these and the technical reserves.

The Actuarial function shall analyse the calculations of BE, express an opinion and make recommendations to the Board of Directors and Executive Committee in the actuarial report.

Particular responsibilities

The Actuarial function shall guarantee the compliance of the management process with the outsourcing policy.

The Actuarial function shall contribute to a fluent relationship with Statutory Auditor and Supervisor.

Reporting & planning

A minimum of 3 reports are expected every year from the actuarial function being a report on technical provisions, a report on reinsurance and an overall activities report. These reports are provided to the Risk Committee, Board and Executive Committee in which data quality, requirement to fulfil the insurance obligations and analysis of reinsurance structure are brought to the attention, including some recommendations.

The actuarial function is invited to attend the Risk Committee meetings where the Committee will recommend its working and reports to the Board of Directors. If needed, the Executive Committee or Board can give new or complementary missions to the actuarial function.

The reports are also disclosed to the Supervisor and a copy is available for the Branches.

8. Outsourcing

The Solvency II Law defines outsourcing as: "an arrangement of any form between an insurance or reinsurance company and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance company itself".
ELINI has in place an outsourcing policy that is updated and approved by the Board on an annual basis. The objective of this policy is to describe the applicable general principles in the context of outsourcing as well as the roles and he responsibilities of the various stakeholders and the approach and processes that apply to the outsourcing in a pre-, contractual and post phase of an outsourcing.

a) Policy

ELINI updates and discloses an outsourcing policy to the NBB. The respect for this policy is compulsory every time a subcontracted activity can have a significant influence on the functioning of ELINI. The activity, the service or the process are assessed by:

- Strategic impact: The concerned activity is inherent to the status of ELINI;
- Significant impact on the control of the risks: the realisation of the tasks linked to the concerned activity implies significant risks and/or affects directly the control of the risks;
- Significant impact on the budget or the financial results: the realisation of the tasks linked to the concerned activity represents a significant cost and/or products a significant financial result.

For critical or important functions or activities, ELINI takes into account the different stages of the outsourcing cycle:

(i) pre-contractual stage (monitoring conditions, due diligence of the service provider and performance of a risk assessment);
(ii) contractual stage (content of the outsourcing agreement);
(iii) post-contractual stage (outsourcing monitoring system and exit strategy).

ELINI also respects the recommendations of the NBB (Circular NBB_2020_18 on cloud outsourcing) to avoid undue operational risks in outsourcing activities to cloud service providers. Contracts with suppliers of cloud services were reviewed and renewed in respect of these recommendations.

In accordance with the Solvency II Law, when outsourcing a critical or important function or activity, ELINI notifies the NBB of its intention to do so and inform the NBB of any major developments relating to the function.

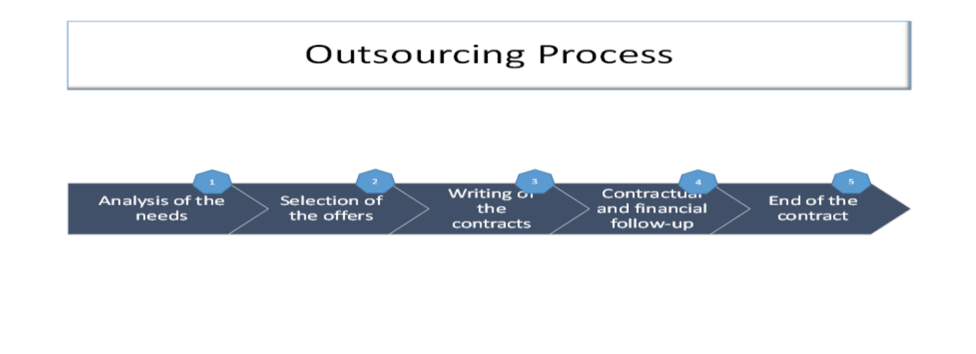
More information as well as the inventory can be found in the Outsourcing Policy of ELINI.

b) Staffing of supervision

The subcontracting reduces in no way the responsibility of the Executive Committee and the

Board of ELINI whether regarding the Members, Supervisory Authorities or other shareholders ELINI has to keep ultimate responsibility of its activity.

For any subcontracted essential activity, the Executive Committee of ELINI will appoint in house a person in charge of the subcontracted function to whom it will delegate the correct application of the present policy. This person will be in charge in particular of defining the contents of the subcontracting, the necessary internal resources, the interfaces between the parties, the controlling of the subcontracting, the establishment of the assessment of the subcontracted function (economic profits vs risks) and the reporting to the Executive Committee. The subcontracted organization of the outsourced function will have to allow a permanent control of the provider. The subcontracted organization will have in particular the obligation to raise any operational incident having an impact on the subcontracted activities, as well as in emergency situation. The process of subcontracting is resumed in the plan below. Each of the stages of the process is explained in the outsourcing policy.



The outsourcing cannot harm the laws and the regulations to which ELINI is submitted. Compliance has to verify that the respect for these laws and regulations which come within his/her skills are the object of a preliminary examination, a sufficient guarantee on behalf of the service provider and an appropriate follow-up.

To protect ELINI from a too strong dependence with regard to the service provider or to an implemented technical solution by the latter, the internal responsible person will remain attentive to the fact that:

- Technologies, systems, applications and instruments are reliable and sufficiently current, known and compatible;
- The necessary comprehension of the technical characteristics of organisation and management of the outsourced functions exists in-house;
- The intellectual property of the outsourced activities and process remains in-house;
- It is possible at any moment to get back all the data under exploitable form;
- The contractual legal documentation offers the necessary flexibility to be able to end the contractual relation with the service provider at any time while giving sufficient guarantees as for the confidentiality and the safety of the confidential data of ELINI, and by planning, where necessary, modalities of transition.

Internal audit, Compliance, Statutory Auditor and Prudential control

The internal audit is an independent and objective activity which brings to the management an assurance on the degree of control of its operations, brings him his advice to improve them and contributes to create added value. The outsourced operations are an integral part, thus also of the field of the Audit and of the risk analysis of the latter.

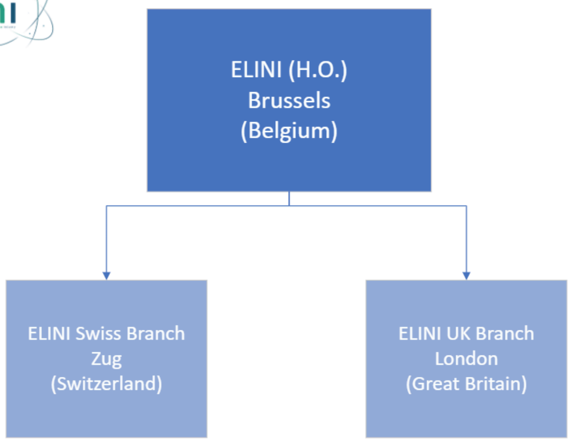
The outsourcing cannot harm the laws and the regulations to which ELINI is submitted. Compliance has to verify that the respect for these laws and regulations which come within his/her skills are the object of a preliminary examination, a sufficient guarantee on behalf of the service provider and an appropriate follow-up.

The internal audit and Compliance have access at any time and without any trouble, to the outsourced activities and have the possibility of exercising their control powers.

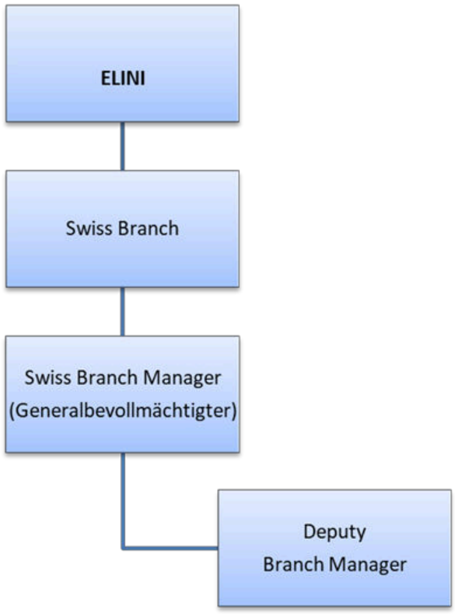
The same conditions also apply to the Statutory Auditor and the prudential organs. According to the exercise of their missions of control, they need to have access at any time and without incident to the information on the subcontracted essential activities and have the possibility of exercising their controls on these activities.

9. Other relevant governance domains: Branches

Structure



Swiss Branch



ELINI opened a Swiss branch as required by Swiss Supervisor FINMA and obtained its license for TPL in November 2019.

The day to day management of the Swiss branch falls under the responsibility of the Branch's General Manager and Deputy Branch Manager who report to the Executive Committee of the Head office. Both persons are not only member of the Management Committee but ensure also their awareness by being member of Advisory Committees being the Insurance Advisory Committee and the Legal Advisory Committee of ELINI. The Branch Manager has direct access to the Board of Directors.

The Swiss Branch is fully integrated and covered by ELINI´s policies and procedures, risk control, compliance, internal audit etc. which are expanded or adjusted to incorporate specific FINMA requirements as applicable.

For the Swiss Branch, the Swiss technology regulations are followed up by the Swiss Branch Manager and by Corporate & Legal, the Compliance Officer as well as the IT Manager of ELINI. ELINI is fully compliant with European /Belgian regulation in respect of IT systems.

ELINI is following carefully the European Data Protection Regulation and is compliant with it. Also the Swiss Data Protection Regulations are monitored and implemented as applicable. The Branch Manager and Deputy receive information on compliance and breaches. ELINI has a data protection officer to do the follow up of GDPR.

Although the Swiss Branch does not have to comply with the Swiss Solvency Test, ELINI itself is fully compliant with the Solvency II regulation including a full Own Risk & Solvency Assessment, which is equivalent to the SST. The Branch Manager is informed quarterly.

A Responsible Actuary is nominated by FINMA specifically for the Swiss Branch. The Responsible Actuary is responsible for ensuring that the entire tied assets required and the provisions (on the assets and liabilities side of the balance sheet) comply with the requirements of supervision law (art. 24 ISA). The Swiss Responsible Actuary and the Belgian actuarial function remain however in close contact as they need to exchange data and calculations.

Financial and non-financial reporting is mostly prepared by ELINI in Brussels but is always checked by Swiss Branch Manager and/or the Deputy Branch Manager; and audited by the Swiss Statutory Auditor. The actuarial report including the Market Value Margin is drafted by the Swiss Actuary. Subsequently management needs to check if there are enough Tied Assets and informs the Branch.

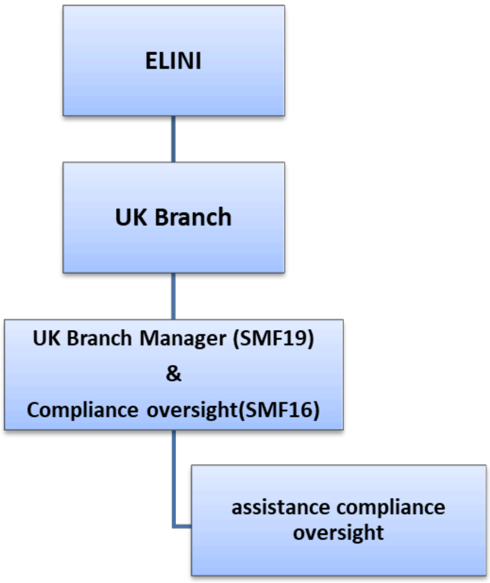
The Financial statements of the Swiss branch are reported to FINMA (Swiss regulator) via their EHP platform.

The Swiss Risk log is a document that monitors all the risks within the organisation specifically for the Branch. This is the assessment tool as referred to under Rz 41 FINMA-RS 2017/2. The Deputy Branch Manager actively participates in the Risk Log.

For internal control purposes ELINI has drafted a Swiss Branch procedure manual, IT documentation and a report of the Executive Committee on internal control for the Swiss Branch.

All four key control functions being actuary, risk management, internal audit and compliance are in place. All control functions have unrestricted access to all information sources they need in order to meet their responsibilities and in line with Rz 40 FINMA-RS 2017/2. Risk management & compliance report to the Deputy Branch Manager. All control functions are independent but relevant information is shared with the Branch.

UK Branch



The UK regulator (PRA) has given its authorization to carry out direct insurance activities in the UK through a local Branch, as from 23 June 2023. This authorization will allow ELINI to continue serving its UK members in the long run since the Temporary Permission Regime has come to an end on the 31st December 2023. The contracts in place before that date continued to be valid until the end of the insurance period, being 31 December 2023. Renewals of the UK policies as from the 2024 period were done through the UK Branch directly.

The Managing Director of ELINI was approved by the PRA to take the roles of SMF19 (head of the Branch) & SMF16 (compliance oversight). In this last role he has the support of a local specialist. The Branch Manager has direct access to the Board of Directors.

The UK Branch is fully integrated and covered by ELINI´s policies and procedures, risk control, compliance, internal audit etc. which are expanded or adjusted to incorporate specific PRA requirements as applicable.

As from the 1st of January 2025, a UK Solvency is applicable to Elini's UK Branch. The PRA proposes to allow third-country branches to submit on overall ORSA instead of a separate third-country branch ORSA, as long as the ORSA clearly identifies and sufficiently covers any material risks for the third-country branch operations.

Financial and non-financial reporting is mostly prepared by ELINI in Brussels but assistance is provided by a local accountant.

All four key control functions being actuary, risk management, internal audit and compliance are in place. All control functions have unrestricted access to all information sources they need in order to meet their responsibilities of the UK Regulator. The control functions are independent but relevant information is reported and shared with the Branch.

10. Risk profile

ELINI's Risk Management system, based on a top-down as well as bottom-up approach, covers all existing as well as evolving risks that have the potential to materially impact the adequacy of its financial resources, the volatility of its results or its ability to meet its commercial, legal and regulatory obligations. These risks include, but are not limited to, the following:

Insurance Risks (including reinsurance and claims)
Insurance risks refer to the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and reserving practices. These risks may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

Underwriting risk includes:

- CAT underwriting risk: the risk of loss related to extreme or irregular events.
- Premium risk: the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios;
- Reserve risk: the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement.

Non-Life Risk	31 DEC 2023	31 DEC 2024	Change to 31 DEC 2023
Premium Reserve	4.658.921	5.059.966	+9%
CAT	52.238.667	56.230.558	+8%
Correlation effect	-3.304.008	-3.586.614	+9%
Total Non-Life Risk	**53.593.580**	**57.703.911**	+8%

ELINI analyses 2 full claim scenarios in the ORSA. None of these scenarios revealed a high risk for ELINI.

Market Risk
Market risk is the risk of loss or adverse change in the financial position due to fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. This risk may be caused by fluctuations in foreign exchange rates, interest rates or equity, market liquidity, property and securities values.

The Finance & Investment Advisory Committee is responsible for considering and making recommendations to the Board of Directors on the management of financial resources of the Company and major strategies and transactions.
The Investment Policy will set out the key parameters for the portfolio of investments.
The Board decides the strategic allocation of funds. The FIAC may from time to time deviate from this allocation, using a tactical allocation.
The high level strategic intent is to invest funds prudently to protect capital while allowing liquidity and to yield more than inflation in a tax efficient manner.

The boundaries of asset allocation is defined in the 'Treasury and Investment Policy'.

Investment Category	Minimum*	Maximum**
Equities / Stock-related investments ***	0%	25%
Fixed income related investments ***	0%	100%
Cash investments	0%	100%
Private debt / Infrastructure ***	0%	5%

This Policy also determines the Risk parameters:

Risk-indicators conform investment policy	Maximum
Value at Risk (1 year horizon 95% interval) *formularium see* *	7,50% *(not applicable until 31/03/2023)* Exceeding this limit will prompt the Investment Manager to contact ELINI to discuss what immediate action needs to be taken
Average Bonds portfolio rating investment grade	Minimum BBB
Solvency II Capital requirement (asset only) SCR -cost of the total portfolio	25%
Currency risk *Currency exposure, split between EUR and non-EUR*	standard 100% EUR hedged, up to 25% of the portfolio can be non-hedged
Modified Duration	6 years

Market Risk	**31 DEC 2023**	**31 DEC 2024**	*Change to 31 DEC 2023*
Rate Risk	7.566.871	7.794.141	+3%
Equity Risk	11.694.019	14.671.642	+25%
Property Risk	158.513	159.318	+1%
Spread Risk	8.906.560	7.742.235	-13%
Currency Risk	7.424.716	11.735.989	+58%
Concentration Risk	0	0	+100%
Correlation effect	-11.377.238	-13.345.218	+17%
Total Market Risk	**24.373.440**	**28.758.107**	+18%

ELINI analyses 3 market risk scenarios in the ORSA. None of these scenarios revealed a high risk for ELINI.

Credit Risk
Credit risk is the risk of loss or adverse change in the financial position due to fluctuations in the credit standing of issuers of securities, reinsurers, counterparties or any other debtors.

Default Risk	31 DEC 2023	31 DEC 2024	Change to 31 DEC 2023
Default Risk	3.900.074	3.370.680	-14%
Total Default Risk	**3.900.074**	**3.370.680**	-14%

ELINI includes counterparty risk in certain scenarios in the ORSA. None of these scenarios revealed a high risk for ELINI.

Operational Risk
Operational risk, including compliance risk, refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all functions rendered during conducting business, including strategy and business planning, underwriting, reinsurance purchasing, reserving, claims management, accounting, investments, treasury, information technology, legal and regulatory, and financial reporting functions.

The operational cost SII was € 795.340 at the end of 2024. ELINI is not exposed to any material risk concentration regarding Operational Risk. Material Operational Risks are mapped in the Risk Log and monitored daily.

For managing the non-quantifiable operational risk ELINI has qualitative approaches like yearly self-assessment of the management, Executive Committee, Advisory Committees and Board of Directors.

Liquidity Risk
Liquidity risk is the risk of a loss or inability to realise investments and other assets in order to settle financial obligations when they fall due. Liquidity risk is not a material risk in 2024 but it is part of ELINI’s risk profile. risk that ELINI is unable to realise investments and other assets in order to settle their financial obligations when they fall due is not explicitly covered in the standard formula but covered in the ORSA.

The liquidity risk has been tackled in the Risk Appetite Statement and is then considered as a key dimension in the Risk Management System. Liquidity risk is therefore a Key Performance Indicator that risk management monitors monthly and reports quarterly. Reporting to the Risk Committee and Board is ensured on a quarterly basis of all liquidity risks identified and assessed when exceeding ELINI’s Risk Appetite.

Strategic Risk
Strategic risk is the risk of the current or prospective impact on earnings or capital arising from adverse business decisions, improper execution of decisions made, or lack of responsiveness to industry changes. Strategic Risk includes risks relating to accessing / raising capital, capital allocation, competition and maintaining ratings.

Reputational Risk
Reputational risk is the risk of potential loss through a deterioration of ELINI's reputation or standing due to a negative perception of its image among members, counterparties, shareholders or supervisory authorities.

The aim is to protect ELINI in maintaining the obtained AM-Best rating of A-. Its reputation is also internally preserved by adequately and timely reporting to Supervisors and other stakeholders. Besides, yearly the Internal Auditors performs a quality check by interrogating the Members.

The reputational risk has been tackled in the Risk Appetite Statement and is then considered as a key dimension in the Risk Management System. Reputational risk is therefore a Key Performance Indicator that risk management monitors monthly and reports quarterly. Reporting to the Risk Committee and Board is ensured on a quarterly basis of all reputational risks identified and assessed when exceeding ELINI's Risk Appetite.

Emerging Risks
Emerging risks refer to risks that do not currently exist or are not currently recognised but have the potential to materially impact the adequacy of ELINI's financial and operational resources, the volatility of its results and expected financial income or its ability to meet its commercial, legal and regulatory obligations following changes in the environment.
ELINI uses different techniques to monitor emerging risks when they develop:
- SWOT analysis is a technique that helps understanding strengths, weaknesses, opportunities and threats.
- Horizon scanning is a technique used across a wide range to help identify a range of potential issues and risks that could impact in the future as a result of the complex and connected world in which ELINI operates.

Sustainability Risks:
Sustainability is often broken into three core concepts: environmental (E), social (S) and governance (G). ESG generally means a broad set of environmental, social and corporate governance considerations that may impact ELINI's ability to execute our business strategy and create value over the long term.

ENVIRONMENT PILLAR

- ✓ Environmentally aware : As a small insurer, we recognize the challenge is significant but our impact, although small, is still important. For example we embrace the electrification process replacing company cars with traditional combustion engines to electric ones or we offer employees the opportunity to work from home. Meetings that can be held remotely are encouraged to avoid environmentally harmful travel.
- ✓ Investments : ELINI's commitment to sustainable investing starts by working together with Asset Managers who comply with the sustainable standards of the United Nations Global Compact and/or United Nations Principles of Responsible Investing. Our investment funds are selected by our Asset Managers taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. They all have appropriate internal guidelines demonstrating their ESG Policy in terms of governance, strategy, risk and the actions they undertake in

the ESG space. Furthermore already some funds have an ESG credentials through the French label ISR (the SRI label) which is a tool for choosing sustainable and responsible investments Created and supported by the Finance Ministry with the goal to increase visibility of SRI (Sustainable responsible investing).

- ✓ The Nuclear sector is considered to be a zero-emission industry.
- ✓ Climate related stress-test was conducted in the ORSA 2023.
- ✓ Public disclosure on ESG can be found in the annual report.

SOCIAL PILLAR

- ✓ Diversified recruitment policy : At ELINI we attach importance to talent diversification. Within the company, employees are encouraged to work independently and to further develop their skills. We are open to multi-employability, flexible working and on the job training.
- ✓ Feel good employees : We think it is important that our employees feel at home in the workplace. We operate a flat organizational structure to make everyone feel involved and thus strengthen the team.
- ✓ Health & Safety: A health and Safety Officer is appointed. He reports yearly, gives training and implement measures.
- ✓ Neutrality: ELINI believes in neutrality both in gender, religion and cultural background.
- ✓ Cyber & IT: IT and cyber policy are in place. Both are also monitored in the Business Continuity Plan.
- ✓ Training of staff: Both compliance and IT conducted a staff training during the year 2023. Training are ongoing.
- ✓ Charity: via Entrepreneurs for Entrepreneurs, annually we choose a new sustainable charity to which we give our support.

GOVERNANCE PILLAR

- ✓ Tree lines of defense controls are in place.
- ✓ Self-assessment memorandum corporate governance is updated every year including chapters on whistleblowing, conflict of interest, integrity and fit & proper.
- ✓ Self-assessment of Board and Committees are conducted yearly.
- ✓ Self-assessment of key control functions are conducted yearly.
- ✓ The Board is supporting the ESG principles within the framework of the Mutual
- ✓ The Board & staff undertake business in an ethical manner (avoiding bribery, corruption)

11. Valuation for Solvency purposes

ELINI follows strictly the principles of the Standard Formula without any exception.

a) assets

The fair value of the investments are the quoted market price in active markets for the same assets at reference date.

For the purpose of Solvency II, investments are reported at market value. Therefore, the unrealized capital gains or losses that are not reported in the Statutory balance sheet are added to the Basic Own Fund.

The market value of the equities is the market price at 31 December. These unrealized capital gains or losses are the main contributor to the 'Asset adjustments' in the economical balance sheet.

Tangible assets (excl. real estate) are valued at their book value both under Belgian GAAP as Solvency II. Under Solvency II, the liquidities are valued at their nominal value including the accrued interests.

Provisions for reinsurance under the Solvency II regime are discounted to their net present value (NPV) at reference date and reported as "Reinsurance recoverables.

b) Liabilities

Whereas the equalization reserve is considered as a technical reserve in the Statutory accounts, it is considered as Basic Own Funds in Solvency II. It is therefore the main contributor to the 'Liabilities adjustments' on the economical balance sheet.

The technical provisions under the Solvency II regime include the best estimates for claims and premiums together with the Solvency II Risk Margin, considering a 6% cost of capital, and differ therefore from the statutory account by reason of:

- a discounting effect with the use of the yield curve provided by EIOPA;
- the inclusion of a risk margin as required in the EIOPA guidelines;
- the shift of the equalization reserve to the eligible own funds.

ELINI does not calculate deferred taxes or adjustments since they are not applicable.
Transitory accounts are valued at their nominal value under Solvency II.

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

BALANCE SHEET AS OF 31 DECEMBER 2024
(Currency - Euro)

ASSETS	BE Gaap	Solvency II	Difference
C. Investments			
III. Other financial investments			
1. Parts in investment funds	150.072.963,91	158.217.663,99	+ 8.144.700,08
2. Bonds and other fixed interests	0,00	0,00	+ 0,00
6. Term depositos	13.498.636,02	13.498.636,02	+ 0,00
7. Other	224.840,00	0,00	- 224.840,00
Derivatives (Solvency II)	0,00	326.830,58	+ 326.830,58
	163.796.439,93	**172.043.130,59**	**+ 8.246.690,66**
D. bis Part of reinsurers in the technical reserves			
I. Reserve for non-earned premiums and current risks	2.550.290,12	0,00	- 2.550.290,12
III. Reserve for claim receivable	0,00	0,00	+ 0,00
	2.550.290,12	**0,00**	**- 2.550.290,12**
Reinsurance recoverables (Solvency II regime)			
Premium provisions - Total recoverable from reinsurance	0,00	0,00	+ 0,00
Claims provisions - Total recoverable from reinsurance	0,00	0,00	+ 0,00
	0,00	**2.530.265,03**	**+ 2.530.265,03**
E. Receivables			
I. Receivables resulting from direct insurance	1.075.337,12	1.075.337,12	+ 0,00
1. Insurers	34.476,83	34.476,83	+ 0,00
2. Intermediaries	1.040.860,29	1.040.860,29	+ 0,00
II. Receivables resulting from reinsurance	0,00	0,00	+ 0,00
III. Other receivables	407.583,14	407.583,14	+ 0,00
IV. Subscribed capital, not paid	588.366,00	588.366,00	+ 0,00
	2.071.286,26	**2.071.286,26**	**+ 0,00**
F. Other assets			
I. Tangible assets	637.272,19	637.272,19	+ 0,00
II. Liquidities	11.165.440,05	11.296.603,29	+ 131.163,24
	11.802.712,24	**11.933.875,48**	**+ 131.163,24**
G. Transitory accounts			
I. Interests and rent & other transitory accounts	238.232,08	107.068,85	- 131.163,23
	238.232,08	**107.068,85**	**- 131.163,23**
TOTAL ASSETS	***180.458.960,63***	***188.685.626,21***	***+ 8.226.665,58***

BALANCE SHEET AS OF 31 DECEMBER 2024
(Currency - Euro)

LIABILITIES	BE Gaap	Solvency II	Difference
A. Equity			
I. Subscribed capital or equivalent fund, net of uncalled capital			
1. Guarantee fund securities	85.303.768,57	85.303.768,57	+ 0,00
V. Retained earnings including	-2.982.561,44	-2.982.561,44	+ 0,00
1. Surplus (Deficit) of the period (Belgium)	0,00	0,00	+ 0,00
2. Surplus (Deficit) of the period (Switzerland)	478.535,75	478.535,75	+ 0,00
Reconciliation reserve (Solvency II regime)	0,00		+ 0,00
Asset adjustments (1) + (2) + (3) + (4) + (5)	0,00	8.226.665,58	+ 8.226.665,58
Liabilities adjustments (8) + (9) + (10)	0,00	96.292.174,73	+ 96.292.174,73
Technical provisions adjustment (7)	0,00	-8.433.757,22	- 8.433.757,22
	82.321.207,13	**178.406.290,22**	**+ 96.085.083,09**
Technical provisions - non life (Solvency II regime)			
Best Estimate		4.896.110,90	+ 4.896.110,90
Risk Margin		3.537.646,32	+ 3.537.646,32
		8.433.757,22	**+ 8.433.757,22**
C. Technical reserves			
I. Reserve for unearned premiums and for unexpired risks	5.525.340,82	0,00	- 5.525.340,82
III. Reserve for claims payable	36.000,00	0,00	- 36.000,00
V. Reserve for egalization and catastrophes	90.832.732,22	0,00	- 90.832.732,22
	96.394.073,04	**0,00**	**- 96.394.073,04**
G. Payables			
I. Payables resulting from direct insurance business	0,00	0,00	+ 0,00
II. Payables resulting from reinsurance business	535.742,01	535.742,01	+ 0,00
IV. Debt versus financial institutions	0,00	0,00	+ 0,00
V. Other payables			
1. Fiscal and social payables			
a) Property tax and VAT	119.200,52	119.200,52	+ 0,00
b) Social Payables	439.218,96	214.378,96	- 224.840,00
2. Other	159.781,67	159.781,67	+ 0,00
Derivatives (Solvency II)	0,00	326.738,31	+ 326.738,31
	1.253.943,16	**1.355.841,47**	**+ 101.898,31**
H. Transitory accounts	489.737,30	489.737,30	+ 0,00
	489.737,30	**489.737,30**	**+ 0,00**
TOTAL LIABILITIES	***180.458.960,63***	***188.685.626,21***	***+ 8.226.665,58***

12. Capital Management

ELINI must implement a capital management available over a period corresponding to the business plan; the risk capacity is defined as the means used by the company to counter the negative consequences of the occurrence of a risk:

- Basic own funds ;
- Ancillary own funds (if applicable) ;
- others: human resource, IT systems, ALM,…

Basic Own Funds are defined as the sum of the excess of assets over liabilities of the Market Consistent Balance Sheet (MCBS) and the subordinated liabilities, reduced by non-available items. The majority of the basic own funds consist of the guarantee fund and equalisation reserve of ELINI for a total amount of € 178.508.189.

ELINI has not obtained the Regulator’s approval to use the supplementary contributions as part of its eligible capital for 2025. Processing these additional contributions will be according to the Articles of Association and their interpretation as agreed upon with the Regulator.

This additional capital can be considered as Ancillary Own Funds (AOF). Notwithstanding the Regulator’s approval in the past, ELINI has so far never used these Ancillary Own Funds for determining the total of Eligible Own Funds and Solvency ratio in its official quarterly and annual reporting.
The yearly approval process is therefore conducted only as a precaution measure.
The Board has identified two capital measures that ELINI should consider in setting its Medium-Term Capital requirement:

- Regulatory: based on the capital requirement set by reference to Solvency II, a Minimum of capital is calculated to ensure that ELINI is, and will continue to, operate where the level of risk-based capital is above a 100% solvency ratio. The margin in excess of 100%, the Target amount of capital, is the level of Solvency that is required to be consistent with the capital required to meet the ELINI’s rating agency objectives.
- Rating agency: the capital requirement is also judged against the alternative capital calculations from a rating agency; then the Target amount of capital is the amount of capital necessary to maintain an “a- rating” of AmBest.

In practice, ELINI considers the following factors to determine the minimum and target capital levels:

- A failure to meet a regulatory capital requirement is a critical event. ELINI should therefore always hold the regulatory capital to meet solvency (SCR) plus a margin to be determined depending on risk appetite.
- Rating agency models also take into account other non-financial factors within the rating process which are evaluated more subjectively.
- Limiting the volatility of the solvency coverage from year to year is also a key focus for capital management as solvency ratios are to be published under the new solvency guidelines.
- In the event that the level of the solvency ratio might fall below 125%, ELINI would implement management actions which are developed. However, for prudence reasons the Board targets more than 149% considering a buffer to reinstate reinsurance cost and for non-underwriting risks under SII.

- A breach of the MCR threshold would result in supplementary contributions to increase Basic Own Funds of the required level. We refer to the Capital Management Policy which describes the process to call additional contributions to members in case of cat event.

There were no material changes in each level of capital during the reference period beside the normal financial returns and underwriting results of the year.
Part of the additional amount of Own Funds is however related to additional capital contributed by 2 Members (€ 398.816) of which one Member is new.
ELINI does not have any ring-fenced or matching adjustment portfolio. ELINI does neither have any own fund items related to Article 71 (1) (e) of the Delegated Regulation for loss absorbency mechanism.

The called but not paid capital that is not payable within 3 months is deducted from the Eligible Own Funds as it is non-eligible for Solvency II purposes. The amounts payable within 3 months are considered Tier 2 eligible own funds. The non-eligible funds amounted to 0,59 M€ at the end of 2024.

Total Basic own funds		**178.508.188,54**
- Own funds Tier I	*178.508.188,54*	
- Own funds Tier II	*0,00*	
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		**-588.366,00**

SCR	31 DEC 2023	31 DEC 2024	*Change to 31 DEC 2023*
Market Risk	24.373.440	28.758.107	*+18%*
Default Risk	3.900.074	3.370.680	*-14%*
Non-Life Risk	53.593.580	57.703.911	*+8%*
Correlation effect	-14.861.897	-16.643.796	*+12%*
Total SCR	**67.005.196**	**73.188.902**	*+9%*

	31 DEC 2023	31 DEC 2024	*Change to 31 DEC 2023*
SCR	67.005.196	73.188.902	*+9%*
Eligible capital	154.350.258	177.919.823	*+15%*
surplus	87.345.062	104.730.921	*+20%*
SCR coverage ratio	**230,36%**	**243,10%**	*+13%*

MCR & SCR RATIO - 31 December 2024

Total Basic own funds			**178.508.188,54**	*(11)*
- Own funds Tier I		*178.508.188,54*		*(11a)*
- Own funds Tier II		*0,00*		*(11b)*
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds			**-588.366,00**	*(11c)*
Deductions for participations in financial and credit institutions			**0,00**	*(11d)*
Ancillary own funds			**0,00**	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0,00		**0,00**	
Eligible ancillary own funds			**0,00**	*(12)*
Total eligible own funds to meet the SCR (11a) + (11b) + (11c) + (11d) + (12)			**177.919.822,54**	*(13)*
Total eligible own funds to meet the MCR (11a) + (11b) with (11b) ≤ 20% of (16)			**177.919.822,54**	*(14)*
Solvency Capital Requirement (SCR)			**73.188.901,87**	*(15)*
Minimum Capital Requirement (MCR)			**18.297.225,47**	*(16)*
Linear MCR	2.278.902,62			
MCR floor = 25% of (15)	18.297.225,47			
Absolute floor (if both Linear MCR and MCR floor below)	4.000.000,00			
SCR ratio (13)/(15)			**243,10%**	*(17)*
MCR ratio (14)/(16)			**972,39%**	*(18)*

(11) See Solvency II balance sheet.

(11c) Uncalled capital or called capital that is not payable within 3 months are considered as non-eligible own funds, except for the capital that was called up prior to 2016.

(12) Supplementary members calls can be taken into account as ancillary own funds.
The amount of ancillary own funds is however limited to 50% of the SCR amount. = max 50% of (15)
and subject to approval by the regulator

(13) Total eligible own funds is the sum total basic own funds and the eligible ancillary own funds

(13) Total eligible own funds to meet the SCR is the sum total basic own funds and the eligible ancillary own funds

(14) To determine the eligible own funds to meet the MCR, only the Basic own funds are taken into account = (11).
However the Tier II capital taken into account is limited to 20% of the MCR. (Eligible Tier II capital = max 20% of (16)

(15) See seperate calculation sheet for the composition of the SCR
The SCR is the sum of market risk, default risk and non-life insurance risk, after a correlation factor is applied.

(16) The linear MCR is calculated according to the Solvency II guidelines (standard formula non-life business).
The MCR is equal to the linear MCR, however a minimum of 25% of the SCR is applied together with an absolute floor.

(17) The SCR ratio is calculated as the total eligible own funds to meet the SCR (13) devided by the SCR (15)

(18) The MCR ratio is calculated as the total eligible own funds to meet the MCR (14) devided by the MCR (16)

13. Status of the SFCR and date

For practical reasons, the SFCR is written in a masculine version where we often use words as he or his. In ELINI, where we believe in equal rights, it is not more than normal that those words can be used if appropriate in their feminine form.

A Mutual is always changing. To avoid continuous and minor adaptations to the SFCR, the Executive Committee yearly evaluates and updates the SFCR where necessary. A minimal improved version is too insignificant to be presented to the Board of Directors. However, major modifications that have a structural impact on the organization will have to be approved by the Board of Directors. Their consent will be expressed by the signature of the Managing Director.

Drawing up date	04-APR-2025
Latest assessment Executive Committee	08-APR-2025
Brought to the Board	05-JUN-2025

Approved by,

Jean-Denis Treillard
Managing Director

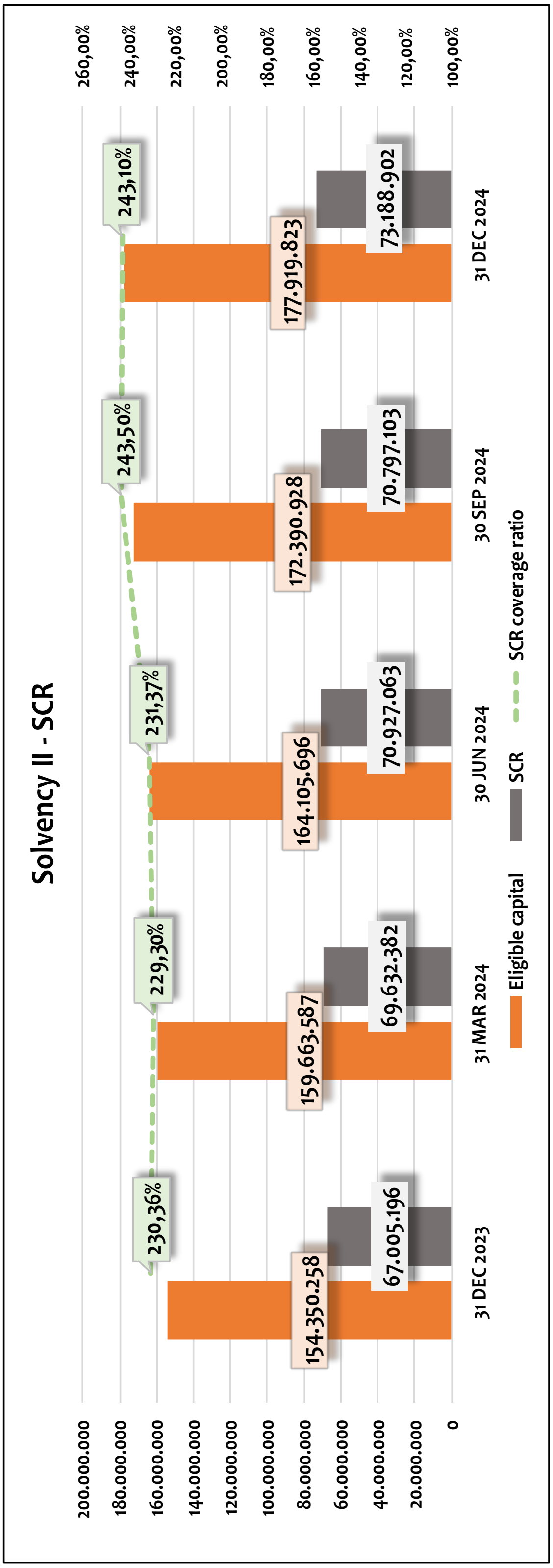
Maria Laguna
Deputy Managing Director

Jo Machtelinckx
Financial Manager

ANNEX

1. Annex 1: SCR evolution

	31 DEC 2023	31 MAR 2024	Change to 31 DEC 2023	30 JUN 2024	Change to 31 MAR 2024	30 SEP 2024	Change to 30 JUN 2024	31 DEC 2024	Change to 30 SEP 2024
SCR	67.005.196	69.632.382	+4%	70.927.063	+2%	70.797.103	-0%	73.188.902	+3%
Eligible capital	154.350.258	159.663.587	+3%	164.105.696	+3%	172.390.928	+5%	177.919.823	+3%
surplus	87.345.062	90.031.205	+3%	93.178.632	+3%	101.593.825	+9%	104.730.921	+3%
SCR coverage ratio	**230,36%**	**229,30%**	-1%	**231,37%**	+2%	**243,50%**	+12%	**243,10%**	-0%



2. Annex 2: template SE.02.01

					Solvency II value	Statutory accounts value	Reclassification adjustments
					C0010	C0020	EC0021
Assets	Goodwill			R0010		-	
	Deferred acquisition costs			R0020		-	
	Intangible assets			R0030		-	
	Deferred tax assets			R0040		-	
	Pension benefit surplus			R0050		-	
	Property, plant & equipment held for own use			R0060	637.272	637.272	
	Investments (other than assets held for index-linked and unit-linked contracts)			R0070	172.043.131	163.796.440	
		Property (other than for own use)		R0080	-	-	
		Holdings in related undertakings, including participations		R0090	-	-	
		Equities		R0100	-	-	
			Equities - listed	R0110	-	-	
			Equities - unlisted	R0120	-	-	
		Bonds		R0130	-	-	
			Government Bonds	R0140	-	-	
			Corporate Bonds	R0150	-	-	
			Structured notes	R0160	-	-	
			Collateralised securities	R0170	-	-	
		Collective Investments Undertakings		R0180	158.217.664	150.072.964	
		Derivatives		R0190	326.831	224.840	
		Deposits other than cash equivalents		R0200	13.498.636	13.498.636	
		Other investments		R0210	-	-	
	Assets held for index-linked and unit-linked contracts			R0220	-	-	
	Loans and mortgages			R0230	-	-	
		Loans on policies		R0240	-	-	
		Loans and mortgages to individuals		R0250	-	-	
		Other loans and mortgages		R0260	-	-	
	Reinsurance recoverables from:			R0270	2.530.265	2.550.290	
		Non-life and health similar to non-life		R0280	2.530.265	2.550.290	
			Non-life excluding health	R0290	2.530.265	2.550.290	
			Health similar to non-life	R0300	-		
		Life and health similar to life, excluding health and index-linked and unit-linked		R0310	-	-	
			Health similar to life	R0320	-		
			Life excluding health and index-linked and unit-linked	R0330	-		
		Life index-linked and unit-linked		R0340	-		
	Deposits to cedants			R0350	-	-	
	Insurance and intermediaries receivables			R0360	1.075.337	1.075.337	
	Reinsurance receivables			R0370	-	-	
	Receivables (trade, not insurance)			R0380	407.583	407.583	
	Own shares (held directly)			R0390			
	Amounts due in respect of own fund items or initial fund called up but not yet paid in			R0400	588.366	588.366	
	Cash and cash equivalents			R0410	11.296.603	11.165.440	
	Any other assets, not elsewhere shown			R0420	107.069	238.232	
	Total assets			R0500	188.685.626	180.458.961	

Liabilities	Technical provisions - non-life			R0510	8.433.757	5.561.341	
		Technical provisions - non-life (excluding health)		R0520	8.433.757	5.561.341	
			Technical provisions calculated as a whole	R0530	-		
			Best Estimate	R0540	4.896.111		
			Risk margin	R0550	3.537.646		
		Technical provisions - health (similar to non-life)		R0560	-	-	
			Technical provisions calculated as a whole	R0570	-		
			Best Estimate	R0580	-		
			Risk margin	R0590	-		
	Technical provisions - life (excluding index-linked and unit-linked)			R0600	-	-	
		Technical provisions - health (similar to life)		R0610	-	-	
			Technical provisions calculated as a whole	R0620	-		
			Best Estimate	R0630	-		
			Risk margin	R0640	-		
		Technical provisions - life (excluding health and index-linked and unit-linked)		R0650	-	-	
			Technical provisions calculated as a whole	R0660	-		
			Best Estimate	R0670	-		
			Risk margin	R0680	-		
	Technical provisions - index-linked and unit-linked			R0690	-	-	
		Technical provisions calculated as a whole		R0700	-		
		Best Estimate		R0710	-		
		Risk margin		R0720	-		
	Other technical provisions			R0730		90.832.732	
	Contingent liabilities			R0740			
	Provisions other than technical provisions			R0750			
	Pension benefit obligations			R0760			
	Deposits from reinsurers			R0770			
	Deferred tax liabilities			R0780			
	Derivatives			R0790	326.738	224.840	
	Debts owed to credit institutions			R0800	-		
		Debts owed to credit institutions resident domestically		ER0801			
		Debts owed to credit institutions resident in the euro area other than domestic		ER0802			
		Debts owed to credit institutions resident in rest of the world		ER0803			
	Financial liabilities other than debts owed to credit institutions			R0810	-		
		Debts owed to non-credit institutions		ER0811	-		
			Debts owed to non-credit institutions resident domestically	ER0812			
			Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813			
			Debts owed to non-credit institutions resident in rest of the world	ER0814			
		Other financial liabilities (debt securities issued)		ER0815			
	Insurance & intermediaries payables			R0820	-	-	
	Reinsurance payables			R0830	535.742	535.742	
	Payables (trade, not insurance)			R0840	391.463	718.201	
	Subordinated liabilities			R0850	-	-	
		Non-negotiable instruments held by credit institutions resident domestically		ER0851			
		Non-negotiable instruments held by credit institutions resident in the euro area other than domestic		ER0852			
		Non-negotiable instruments held by credit institutions resident in rest of the world		ER0853			
		Non-negotiable instruments held by non-credit institutions resident domestically		ER0854			
		Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic		ER0855			
		Non-negotiable instruments held by non-credit institutions resident in rest of the world		ER0856			
		Subordinated liabilities not in Basic Own Funds		R0860			
		Subordinated liabilities in Basic Own Funds		R0870	-		
	Any other liabilities, not elsewhere shown			R0880	489.737	489.737	
	Total liabilities			R0900	10.177.438	98.362.594	
Excess of assets over liabilities				R1000	178.508.189	82.096.367	

3. Annex 3: template S.05.01

				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional	Total
				General liability insurance	
				C0080	C0200
Premiums written	Gross - Direct Business		R0110	27.268.297	27.268.297
	Gross - Proportional reinsurance accepted		R0120	-	-
	Gross - Non-proportional reinsurance accepted		R0130		-
	Reinsurers' share		R0140	11.732.262	11.732.262
	Net		R0200	15.536.034	15.536.034
Premiums earned	Gross - Direct Business		R0210	26.511.343	26.511.343
	Gross - Proportional reinsurance accepted		R0220	-	-
	Gross - Non-proportional reinsurance accepted		R0230		-
	Reinsurers' share		R0240	11.347.590	11.347.590
	Net		R0300	15.163.753	15.163.753
Claims incurred	Gross - Direct Business		R0310	- 12.750	- 12.750
	Gross - Proportional reinsurance accepted		R0320	-	-
	Gross - Non-proportional reinsurance accepted		R0330		-
	Reinsurers' share		R0340	-	-
	Net		R0400	- 12.750	- 12.750
Expenses incurred			R0550	4.016.279	4.016.279
	Administrative expenses	Gross - Direct Business	R0610	3.580.194	3.580.194
		Gross - Proportional reinsurance accepted	R0620		-
		Gross - Non-proportional reinsurance accepted	R0630		-
		Reinsurers' share	R0640		-
		Net	R0700	3.580.194	3.580.194
	Investment management expenses	Gross - Direct Business	R0710	104.562	104.562
		Gross - Proportional reinsurance accepted	R0720		-
		Gross - Non-proportional reinsurance accepted	R0730		-
		Reinsurers' share	R0740		-
		Net	R0800	104.562	104.562
	Claims management expenses	Gross - Direct Business	R0810		-
		Gross - Proportional reinsurance accepted	R0820		-
		Gross - Non-proportional reinsurance accepted	R0830		-
		Reinsurers' share	R0840		-
		Net	R0900	-	-
	Acquisition expenses	Gross - Direct Business	R0910	331.524	331.524
		Gross - Proportional reinsurance accepted	R0920		-
		Gross - Non-proportional reinsurance accepted	R0930		-
		Reinsurers' share	R0940		-
		Net	R1000	331.524	331.524
	Overhead expenses	Gross - Direct Business	R1010		-
		Gross - Proportional reinsurance accepted	R1020		-
		Gross - Non-proportional reinsurance accepted	R1030		-
		Reinsurers' share	R1040		-
		Net	R1100	-	-
Balance - other technical expenses/income			R1210		-
Total technical expenses			R1300		4.016.279

4. Annex 4: template S.17.01

						Direct business and accepted proportional reinsurance	Total Non-Life obligation
						General liability insurance	
						C0090	C0180
Technical provisions calculated as a whole					R0010	-	-
	Direct business				R0020	-	-
	Accepted proportional reinsurance business				R0030	-	-
	Accepted non-proportional				R0040		-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole					R0050		-
Technical provisions calculated as a sum of BE and RM	Best estimate	Premium provisions	Gross - Total		R0060	4.865.146	4.865.146
				Gross - direct business	R0070	4.865.146	4.865.146
				Gross - accepted proportional reinsurance business	R0080	-	-
				Gross - accepted non-proportional reinsurance business	R0090		-
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0100	2.531.421	2.531.421
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	2.531.421	2.531.421
				Recoverables from SPV before adjustment for expected losses	R0120		-
				Recoverables from Finite Reinsurance before adjustment for expected losses	R0130		-
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0140	2.530.265	2.530.265
			Net Best Estimate of Premium Provisions		R0150	2.334.881	2.334.881
		Claims provisions	Gross - Total		R0160	30.964	30.964
				Gross - direct business	R0170	30.964	30.964
				Gross - accepted proportional reinsurance business	R0180	-	-
				Gross - accepted non-proportional reinsurance business	R0190		-
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0200	-	-
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210		-
				Recoverables from SPV before adjustment for expected losses	R0220		-
				Recoverables from Finite Reinsurance before adjustment for expected losses	R0230		-
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	-	-
			Net Best Estimate of Claims Provisions		R0250	30.964	30.964
		Total Best estimate - gross			R0260	4.896.111	4.896.111
		Total Best estimate - net			R0270	2.365.846	2.365.846
	Risk margin				R0280	3.537.646	3.537.646
Amount of the transitional on Technical Provisions	TP as a whole				R0290		-
	Best estimate				R0300		-
	Risk margin				R0310		-
Technical provisions - total	Technical provisions - total				R0320	8.433.757	8.433.757
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to				R0330	2.530.265	2.530.265
	Technical provisions minus recoverables from reinsurance/SPV and Finite				R0340	5.903.492	5.903.492
Line of Business: further segmentation (Homogeneous Risk Groups)	Premium provisions - Total number of homogeneous risk				R0350	1	
	Claims provisions - Total number of homogeneous risk				R0360	1	
Cash-flows of the Best estimate of Premium Provisions (Gross)	Cash out-flows	Future benefits and claims			R0370	4.865.146	4.865.146
		Future expenses and other cash-out flows			R0380		-
	Cash in-flows	Future premiums			R0390		-
		Other cash-in flows (incl. Recoverable from			R0400		-
Cash-flows of the Best estimate of Claims Provisions (Gross)	Cash out-flows	Future benefits and			R0410	30.964	30.964
		Future expenses and other cash-out flows			R0420		-
	Cash in-flows	Future premiums			R0430		-
		Other cash-in flows (incl. Recoverable from			R0440		-
Percentage of gross Best Estimate calculated using approximations					R0450	-	-
Best estimate subject to transitional of the interest rate					R0460	-	-
Technical provisions without transitional on interest rate					R0470	4.896.111	4.896.111
Best estimate subject to volatility adjustment					R0480	-	-
Technical provisions without volatility adjustment and without others transitional measures					R0490	3.537.646	3.537.646
Expected profits included in future premiums (EPIFP)					R0500	-	

5. Annex 5: template S.19.01

AES – S.19.01.01.01

Line of business [general]	8 - 8 and 20 General liability insurance
Applicable standard	1 - Accident year
Original/exposure currency	EUR
Currency conversion approach	2 - Reporting currency

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																
N-14	R0110	0,20															
N-13	R0120		4.733,19														
N-12	R0130						11.150,12										
N-11	R0140																
N-10	R0150																
N-9	R0160	946,62															
N-8	R0170		321,66														
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230																
N-1	R0240																
N	R0250																

AES – S.19.01.01.04

Line of business [general]	8 - 8 and 20 General liability insurance
Applicable standard	1 - Accident year
Original/exposure currency	EUR
Currency conversion approach	2 - Reporting currency

		Year end (discounted data)
		C0360
Prior	R0100	
N-14	R0110	
N-13	R0120	
N-12	R0130	
N-11	R0140	
N-10	R0150	
N-9	R0160	
N-8	R0170	
N-7	R0180	4.945,71
N-6	R0190	
N-5	R0200	26.018,73
N-4	R0210	
N-3	R0220	
N-2	R0230	
N-1	R0240	
N	R0250	
Total	R0260	30.964,44

6. Annex 6: template S.23.01

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Ordinary share capital (gross of own shares)	R0010	-				
	Share premium account related to ordinary share capital	R0030	-				
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	82.321.207	81.732.841		588.366	
	Subordinated mutual member accounts	R0050	-				
	Surplus funds	R0070	-				
	Preference shares	R0090	-				
	Share premium account related to preference shares	R0110	-				
	Reconciliation reserve	R0130	96.186.981	96.186.981			
	Subordinated liabilities	R0140	-				
	An amount equal to the value of net deferred tax assets	R0160	-				
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	588.366				
Deductions	Deductions for participations in financial and credit institutions	R0230	-				
Total basic own funds after deductions		R0290	177.919.823	177.331.457	-	588.366	-
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300	-				
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-				
	Unpaid and uncalled preference shares callable on demand	R0320	-				
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-				
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-				
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-				
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-				
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-				
	Other ancillary own funds	R0390	-				
Total ancillary own funds		R0400	-			-	-
Available and eligible own funds	Total available own funds to meet the SCR	R0500	177.919.823	177.331.457	-	588.366	-
	Total available own funds to meet the MCR	R0510	177.919.823	177.331.457	-	588.366	
	Total eligible own funds to meet the SCR	R0540	177.919.823	177.331.457	-	588.366	-
	Total eligible own funds to meet the MCR	R0550	177.919.823	177.331.457	-	588.366	
SCR		R0580	73.188.902				
MCR		R0600	18.297.225				
Ratio of Eligible own funds to SCR		R0620	243%				
Ratio of Eligible own funds to MCR		R0640	972%				

7. Annex 7: template S.25.01

AES – S.25.01.01.01

Article 112	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching
		C0030	C0040	C0050
Market risk	R0010	28.758.107	28.758.107	-
Counterparty default risk	R0020	3.370.680	3.370.680	-
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	57.703.911	57.703.911	-
Diversification	R0060	- 17.439.136	- 17.439.136	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	72.393.562	72.393.562	

AES – S.25.01.01.02

Article 112	No

			Value
			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	-
Operational risk		R0130	795.340
Loss-absorbing capacity of technical provisions		R0140	-
Loss-absorbing capacity of deferred taxes		R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	-
Solvency Capital Requirement excluding capital add-on		R0200	73.188.902
Capital add-ons already set		R0210	-
	of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
	of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
	of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
	of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Solvency capital requirement		R0220	73.188.902
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	-
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	-
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
	Net future discretionary benefits	R0460	-

AES – S.25.01.01.03

Article 112	No

		Yes/No
		C0109
Approach based on average tax rate	R0590	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable) See EIOPA Guidelines on loss-absorbing capacity of technical provisions and deferred taxes

8. Annex 8: template S.28.01

AES – S.28.01.01.05

		Value
		C0070
Linear MCR	R0300	2.278.902,62
SCR	R0310	73.188.901,87
MCR cap	R0320	32.935.005,84
MCR floor	R0330	18.297.225,47
Combined MCR	R0340	18.297.225,47
Absolute floor of the MCR	R0350	4.000.000,00
Minimum Capital Requirement	R0400	18.297.225,47

9. Annex 9: list of critical functions that are outsourced

	start date	end date	descripition of outsourced function or activity	description of reason of critical function or activity	name of service provider	country and location	service provider sub-contracting	Evaluation
1.	12/09/2020	1 year with prenotice of 3 months	internal audit	independent control function	BDO	Belgium, Brussels	not applicable	yearly
2.	23/07/2020	open-ended with 3 months notice	actuary	independent control function	Veerle Nicolaï	Belgium, Antwerp	not call upon subcontractor before prior written approval from ELINI	yearly
3.	05/02/2021	05/02/2022, automatically renewed with notice period of 1 month	° first line support, installation of new lap tops (helpdesk support pack) ° File & Printserver hosting ° Accounting server and software hosting ° CHS hosting	IT activities & infrastructure	ARCO Information N.V.	Belgium, Mechelen	in case ARCO depends on his providers the terms and conditions of these providers apply	yearly
4.	15/12/2020	15/12/2021, automatically extend for a period of 1 year can be stopped at the end of each term with notice period of 1 month	Backup solution Office365 data	IT activities & infrastructure	ARCO Information N.V.	Belgium, Mechelen	not applicable	yearly
5.	17/01/2020	1 year with prenotice of 60 days	Microsoft Customer Agreement	IT activities & infrastructure + record keeping	Microsoft Ireland Opertions Limited	Ireland, Dublin 18	not applicable	yearly
6.	17/03/2009	1 year , termination in writing 90 days before expiration date	development and implementation of ELINI's Claims Handling System: developping, programming,testing, implementation and support of webbased claims handling system	Claims management	iFACTS AB	Sweden, Malmö	not applicable	yearly
7.	12/12/2018	1 year, termination 3 months prior written notice	Provide property & casualty claim management & related loss adjusting services	Claims management	Sedgwick Int UK	UK, Londen	not applicable	yearly
8.	23/12/2009	1 year, termination wihtin 15 calender days following receipt of notice from the party alleging breach	Call center services: register claims of victims of a nuclear incident caused by one of ELINI's Members	Claims management	WeEngage (previously In2Com previously sitel)	Belgium, Burssels	not applicable	yearly
9.	05/12/2016	termination at any time by duly signed written notice	financial asset management	specialised independent management of assets	BNP Paribas	Belgium, Brussels	not applicable	yearly
10.	05/12/2016	indefinite period, termination at any time by registered or return receipt letter	financial asset management	specialised independent management of assets	KBC Asset Management NV	Belgium, Brussels	not applicable	yearly