



CEO Compensation

2023

About the Compensation Policy



At RIMAC, we have a compensation policy:

To calculate CEO compensation, we use the **Willis Towers Watson (WTW)** methodology, which helps us determine the value of the position and establish the base definition of the salary structure. Both the value and the salary structure are **defined by the Vice President of Corporate Talent and validated by the board of directors of BRECA**, the corporate group to which we belong, to ensure the sustainability and equity of the group and the business unit.

CEO Compensation



$$\text{Variable Compensation (PVAR)} = \text{Target Bonus \%} \times \text{Fixed Ann Comp} \times \text{Individual BSC \%} \times \text{Company Multiplier}$$

- **Target Bonus %:** Percentage of variable compensation defined by salary category.
- **Fixed Annual Compensation:** Fourteen (14) basic monthly wages.
- **Individual BSC %:** The result of the calibrated assessment of the balanced scorecard with individual objectives approved by the Business Unit's Talent Committee.
- **Company Multiplier:** Achievement of the consolidated net profit target (RIMAC Seguros y Reaseguros + RIMAC EPS + Clínica Internacional).

* 2023 evaluation period (paid March 2024)

Compensation Indicators



Annual variable compensation measurement indicators: Indicators/objectives are structured and weighted using the balanced scorecard methodology, according to three dimensions:

1. **Financial:** Return on equity (ROE) % and regulatory ratios.
2. **Business Levers:** Market share in premiums (RIMAC EPS and RIMAS Seguros y Reaseguros), NPS (Net Promoter Score), combined ratio, and transformation plan (execution of employee turnaround).
3. **Talent, Corporate Affairs, and Sustainability:** Talent management (CEO coverage, direct reports, and critical positions) and cross-cutting risk management indicator.

Long-term measurement indicators: The long-term pay establishment period is defined by the Talent Committee using business indicators that measure the achievement of strategic targets. The measurement period is currently four (4) years, with a deferred payment plan.

Compensation Rules



- Based on the **target bonus %** for the month of December in the year under evaluation.
- **To collect the variable compensation**, the executive must be on the payroll as of the payment date.
- **The payment is only made** if the percentage of objectives achieved according to the balanced scorecard is greater than 70%. The maximum objective achievement score is 125%.
- For each individual objective on the balanced scorecard, compliance percentages of less than 70% shall result in a score of 0% for that objective.
- **The maximum value of the company multiplier** is 120% and the minimum is 0%.
- **The payment shall be made minus the legally required profit.** If the profit is higher, only the profit shall be paid. The payment is subject to deductions and contributions, as required by law.
- **The CEO's target variable compensation is defined by the Corporate Vice President of Talent and approved by the board of directors of the Business Unit** based on the position category and compensation strategy.

