

Rule 3: Brief On The Mechanisms Of Selecting Candidates Nominated For The Membership Of The Board Of Directors And The Executive Management

4. Brief On The Mechanisms For Selecting Candidates Nominated For The Membership Of The Board Of Directors And The Executive Management

The Group has clear mechanisms regarding the selection of the Board of Directors and of Executive Management members. The Nomination and Remuneration Committee holds a critical role in the selection process of these members.

Gulf Insurance Group's efficiency and integrity guidelines represent the minimum requirements that should be available to the candidate members, this guidelines have been prepared in accordance with global best practices and is in compliance with the regulatory requirements. The Nomination and Remuneration Committee also reviews the required skills for the Board of Directors membership as well as the Executive Management on an annual basis.

4.1 Brief On Applying For The Board Nomination And Remuneration Committee Formation Requirements

In addition to what was mentioned, the Nomination and Remuneration Committee complies with regulatory requirements in terms of composition, meetings, and the implementation of assigned roles (for example, but not limited to):

1. Verify that all candidates fulfil regulatory requirements while taking into account the number of times they have attended, the quality and effectiveness of the participation of the candidate in meetings, in addition to performing their roles and responsibilities.
2. Prepare and review job descriptions for executive, non-executive, and independent members.
3. Verify the independence of the independent members regularly.
4. Prepare a clear policy for the Board of Directors and Executive Members' remuneration and review it when required.

5. Prepare annual reports that contain overall remunerations granted to Board Members and to the Executive Management.
6. Review the required competencies needed for the Board and Executive Management membership regularly.
7. Review the performance evaluation of the Board of Directors and Executive Management members as well as the initiated committees regularly.
8. Ensure that there are no conflict of interest situations for the members of the Board of Directors regularly.
9. Ensure that a proper level of training and orientation is provided to the members of the Board of Directors and Executive Management regularly.

4.2 Report Of The Remunerations Given To The Board Of Directors And Executive Management Members

4.2.1 Board Of Directors Members Remunerations:

The following table displays the Board Of Directors remunerations in 2023. The proposed remunerations are subject to the approval of the General Assembly.

| Total number of members | Remunerations and benefits through the Parent Company | | | | Remunerations and benefits through the subsidiaries | | |
|-------------------------|---|---------------------|--|------------------|---|---------------------|--|
| | Fixed remuneration and benefits (Kuwaiti Dinar) | | Variable remuneration and benefits (Kuwaiti Dinar) | | Fixed remuneration and benefits (Kuwaiti Dinar) | | Variable remuneration and benefits (Kuwaiti Dinar) |
| | Health insurance | Annual remuneration | Committees' remuneration | Health insurance | Monthly salaries (total of the year) | Annual remuneration | Committees' remuneration |
| 10 | 1,107 | 185,000 | 65,000 | - | - | 16,000 | - |

4.2.2 Executive Management Remunerations:*

The remuneration system for the Executive Management is linked to the Company's performance and the achievement of long-term growth goals. It is in line with the size, nature, and level of risk related to each position. The remunerations include a fixed category that includes salaries, bonuses, and other incentives, as well as a variable category that includes variable bonuses.

The following table displays the Executive Management remuneration in 2023:

| Total remunerations and benefits granted to seven senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included | | | | | | | |
|--|---|------------------|----------------|-------------------|---------------------------|--------------------------------|------------------------------------|
| Total executive positions | Remunerations and benefits through the Parent Company | | | | | | |
| | Fixed remuneration and benefits | | | | | | Variable remuneration and benefits |
| | Monthly salaries (total of the year) | Health insurance | Annual tickets | Housing allowance | Transportations allowance | Children's education allowance | Annual remuneration |
| 7 | 638,150 | 7,429 | 10,590 | 9,000 | 10,200 | - | 647,500 |
| Total executive positions | Remunerations and benefits through the subsidiaries | | | | | | |
| | Fixed remuneration and benefits | | | | | | Variable remuneration and benefits |
| | Monthly salaries (total of the year) | Health insurance | Annual tickets | Housing allowance | Transportations allowance | Children's education allowance | Annual remuneration |
| 7 | - | - | - | - | - | - | - |

* The total variable remuneration and benefits table does not include the amount of end-of-service remuneration and vacations for the year, amounting to 492,305 Kuwaiti dinars

4.2.3 No Substantial Deviations From The Remuneration Policy Approved By The Board Of Directors.