

24 March 2021

**REMUNERATION POLICY FOR THE ADMINISTRATIVE AND EXECUTIVE
MANAGEMENT OF SOC.TRANSILVANIA BROKER DE ASIGURARE
S.A.**

CONTENTS PREAMBLE DEFINITIONS

THE OBJECTIVES OF THE IMPLEMENTATION OF THE REMUNERATION POLICY

SCOPE OF APPLICATION

DECISION-MAKING PROCESS

REMUNERATION PRINCIPLES

THE COMPONENTS OF REMUNERATION AND THEIR EVALUATION

Remuneration of non-executive directors

Remuneration of executive directors

Remuneration of executive management

PROVISIONS ON DIRECTOR CONTRACTS

Duration of contracts with directors

Applicable notice periods

Conditions for terminating contracts with directors

Payments related to the termination of contracts with directors

Compensation packages awarded on termination of contracts with directors

Provisions on early retirement and/or supplementary pensions

THE POSSIBILITY OF RECOVERING THE VARIABLE REMUNERATION GRANTED

MEASURES TO AVOID CONFLICTS OF INTEREST

DEROGATION FROM THE REMUNERATION POLICY

PROVISIONSON THEREVIEW OF THEREMUNERATIONPOLICY FINAL

PROVISIONS



PREAMBLE

The Board of Directors of TRANSILVANIA BROKER DE ASIGURARE S.A., with registered office in Bistrita, Calea Moldovei no. 13, jud. Bistrița-Năsăud, registered with the O.R.C. under number J06/674/2006, with unique registration code RO19044296 ("the Company"), draws up and proposes the present Remuneration Policy ("the Policy") which has the purpose of establishing the principles and practices that ensure the convergence of the level and structure of the remuneration of the managers with the mission, the strategic objectives of the company, in conditions of sustainability and optimal performance.

The remuneration policy aims to comply with the legislation and regulations in force regarding the exercise of certain shareholder rights and their long-term involvement in the company, as well as the implementation of transparency requirements regarding executive remuneration.

This procedure complies with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange and has been drawn up in accordance with the following legal and statutory regulations and provisions:

- Law No 158/2020 on measures implementing Regulation (EU) 2402/2017 establishing a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation
- Regulation (EU) No 2402/2017 establishing a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation
- Law No 24/2017 on issuers of financial instruments and market operations, as amended and supplemented
- ASF Regulation no.5/2018 on issuers of financial instruments and market operations, as amended and supplemented
- Law no.297/2004 on the capital market, as amended and supplemented
- Law no.31/1990 on companies, as amended and supplemented
- Decisions of the General Meetings of Shareholders TRANSILVANIA BROKER DE ASIGURARE S.A. on the approval, review and other elements of the remuneration policy for the company's directors.
- The Memorandum of Association of the Company
- Labour legislation

Furthermore, the policy and criteria for the remuneration of the directors shall take into account the respect of the obligations assumed in the management contracts/individual employment contracts, as well as the bivalent nature of the exercise of the director's function, which may combine the managerial and administrative components, approved by resolution of the Board of Directors. Where the managerial function complements the administrative function, they shall together form the overall management plan which shall also include performance indicators and criteria.

DEFINITIONS

Society	TRANSILVANIA BROKER DE ASIGURARE S.A.
Policy	Remuneration policy of the managers of TRANSILVANIA BROKER DE ASIGURARE S.A.
Leader	Any member of the Board of Directors, as well as the Managing Director and the Chief Executive Officer of the company
Administrator/ Non-Executive Director	Member of the Management Board who does not simultaneously hold a position of executive management within the company
Executive Administrator	Member of the Management Board who also holds a position of executive management within the company
Executive management	General Manager and Executive Director of TRANSILVANIA BROKER DE ASIGURARE S.A.
Contract	Contract of mandate or Agreement concluded between the company and the manager for services rendered by him for the company
Remuneration	Payment or benefits to a manager for services rendered to the company
Fixed remuneration	The part of total remuneration not directly linked to performance society
Variable remuneration	part of the total remuneration that depends on the fulfilment of certain criteria of performance (individual or company)
Compensation payment	means payments related to the early termination of a contract on the initiative of the company, for cases not related to the culpable non-performance of the manager's obligations
KPI	key performance indicator
Remuneration report	document reflecting the implementation of the Remuneration Policy for the year concluded and shows the remuneration received by the company's directors
AGA	General Meeting of Shareholders of TRANSILVANIA BROKER DE ASIGURARE S.A.

THE OBJECTIVES OF THE IMPLEMENTATION OF THE REMUNERATION POLICY

This policy defines a transparent framework for the remuneration of the managers of TRANSILVANIA BROKER DE ASIGURARE S.A. according to clear principles, designed to ensure the alignment of the interests of the persons with decision-making power in the company with the interests of shareholders and other stakeholders, to support the control and monitoring of potential conflicts of interest.

The policy aims to retain, motivate and value leaders, increase the confidence/responsibility and commitment of leaders in achieving objectives as per the company's business plan as measured by individual and company performance.

The remuneration policy contributes to the company's business strategy and objectives as well as to the sustainability and its long-term interests.



By applying the remuneration policy, TRANSILVANIA BROKER DE ASIGURARE S.A. aims to attract, retain, motivate and retain the best managers - directors and members of the executive management, as well as to optimise performance, strengthen a culture based on the objective assessment of their contribution and reward performance, ensuring consistency between remuneration and the company's business strategy, risk policy, values and long-term objectives.

SCOPE OF APPLICATION

This policy establishes rules applicable to the remuneration of the company's senior management consisting of the members of the Board of Directors and the executive management represented by the Managing Director and the Executive Director of TRANSILVANIA BROKER DE ASIGURARE S.A. respectively.

The remuneration of the company's directors shall be determined exclusively in accordance with the Remuneration Policy approved by the Ordinary General Meeting of Shareholders (AGM).

DECISION-MAKING PROCESS

The implementation of *the Remuneration Policy* is based on the recommendations and proposals of the Board of Directors, which also exercises the specific responsibilities of a Remuneration Committee. In this capacity, the Board of Directors:

- Establishes sound compensation practices that are consistent with the company's vision, business strategy, objectives and long-term interests;
- Ensures that all remuneration commitments are properly and responsibly structured and that remuneration policies enable and promote effective corporate governance;
- Establish relevant criteria for measuring and monitoring the performance of executive management and assess annually how the criteria are applied;
- Review at least annually the general principles of the remuneration policy, ensuring that they are in line with the company's culture, long-term objectives and strategy.

The Board of Directors is responsible for adopting and maintaining the company's Remuneration Policy and supervises its implementation to ensure its full functionality.

The remuneration policy endorsed or revised by the Board of Directors is submitted to the shareholders for approval as part of the package of documents for the General Meeting of Shareholders.

The policy is submitted to a vote of the shareholders at the AGM on the occasion of each significant change and at least once every 4 years and is implemented only after shareholder approval at the AGM.

The Board of Directors may consider reviewing the Remuneration Policy at intervals of less than four years in the event of significant changes in remuneration practices or in the structure of the company, its overall financial or operational performance, or the sector in which TRANSILVANIA BROKER DE ASIGURARE S.A. operates.



At the time of the development of this Policy, the Board of Directors shall also exercise the specific responsibilities of a Compensation Committee and shall review the adequacy of the Policy at least annually.

In the case of granting variable remuneration to its executive directors, the Board of Directors shall assess at least annually the achievement of the KPIs and determine the fulfilment of the criteria for the variable component. External assistance may be requested in this case or whenever necessary.

The evaluation of the individual performance of the Company's executives shall be based on both qualitative and quantitative criteria as proposed by the Board of Directors and voted by the shareholders in accordance with this policy.

In proposing and setting the level of remuneration of executive directors, the Board of Directors shall take into account that it is in line with the sectoral remuneration of executives in similar positions and shall take into account the specific conditions of the sector in which the company operates, the evolution of the sector in which the company operates and the average level of performance of companies in the same sector, being fully aware that the performance of the executive managers is to some extent affected by the performance of the respective sector of activity, which is closely correlated with the macroeconomic level and with the global, national and sectoral development trends specific to the field of activity of TRANSILVANIA BROKER DE ASIGURARE S.A.

At each review of the Remuneration Policy, shareholder feedback on the Remuneration Report presented to shareholders at the AGM will be taken into account, taken either from shareholder questions prior to the AGM or from the actual discussions at the AGM as recorded in the minutes, including by including a report from the last vote on the Remuneration Policy at the AGM.

Remuneration of the (non-executive) members of the Board of Directors is based on the terms of the Management Contracts (mandate), by negotiation and within the limits (minimum-maximum) approved by the General Meeting of Shareholders.

The determination of the level of remuneration of directors (executive managers), appointed from outside the Board of Directors, is the responsibility of the Board of Directors and is carried out, on the basis of an individual employment contract, by negotiation and in compliance with the remuneration limits approved in the salary scale for the respective positions.

The approval of *the function and salary grid* at company level is the responsibility of the Board of Directors. The level of remuneration of employees is established by individual employment contract, by direct negotiation.

The revision of the Function and Salary Grids shall be approved whenever necessary or at least every 4 years.

In accordance with the principles of the Corporate Governance Code developed by the Bucharest Stock Exchange (BVB) and having regard to the resolution of the Extraordinary General Meeting of Shareholders no. 11/29.07.2020 regarding the increase in the number of members of the Board of Directors from 3, currently, to 5, the company is considering the **establishment of a Remuneration Committee** within the Board of Directors that will take over the roles and processes listed above, i.e., review and propose improvements to the current Remuneration Policy, submit proposals to the Board of Directors regarding the remuneration of directors and managers, ensuring that these proposals are in line with the policy adopted by the company.



REMUNERATION PRINCIPLES

Remuneration principles of the directors of TRANSILVANIA BROKER DE ASIGURARE S.A. respects the principles of corporate governance and aligns itself with a prudent organizational culture in taking risks and contributes to the sound management of the company, its long-term strategy and performance, taking into account the business strategy, culture and values of the organization, the long-term interests of the company and its shareholders.

The company's remuneration principles are based on fairness, competitiveness and rewarding performance. The level of remuneration should be sufficient to attract, retain and motivate competent and experienced individuals on the Board of Directors and executive management.

The remuneration policy takes into account both the market-specific standards in which the company operates and best practices in the field of remuneration and is likely to:

- create the right framework for attracting highly qualified/performing management and cultivating the skills needed for the company's purpose;
- contributes to increased driver retention;
- maintain the company's competitiveness in the labour market;
- contributes to the successful implementation of the company's short, medium and long-term strategy;
- provide the necessary and flexible tools to remunerate management including for exceptional situations and achievements.

The general principles underlying the development of the Remuneration Policy are as follows:

- ✓ Attracting, retaining and motivating the best managers
- ✓ Rewarding achievement of objectives
- ✓ Ensuring the long-term sustainability of the company's profit and business and generating long-term value
- ✓ Staying competitive in the remuneration market
- ✓ Promoting transparency on remuneration and the criteria for determining it
- ✓ Maintaining a fair balance between the fixed allowance and the variable component of remuneration when they complement each other

THE COMPONENTS OF REMUNERATION AND THEIR EVALUATION

This section includes all elements of remuneration to which the company's directors are entitled.

The company is managed, in a unitary system, by a Board of Directors consisting of 5 directors (a chairman and 4 members), Romanian and/or foreign individuals, appointed by the Ordinary General Meeting of Shareholders which also determines their remuneration. The term of office of the directors is 4 (four) years from the date of appointment, and they are eligible for re-election.



The company's directors shall carry out their activities on the basis of *Management Contracts* concluded during their term of office, the terms of which also determine their remuneration, subject to the limits set by the General Meeting of Shareholders.

At the date of adoption of this Policy, an Audit Committee of 2 members is functioning within the Board of Directors.

The executive management of the company is delegated by the Board of Directors to two directors, a Managing Director and an Executive Director, appointed from among the directors or from outside the Board of Directors, in accordance with the provisions of the company's Articles of Association.

Directors appointed from outside the Board of Directors work on the basis of an *Individual Employment Contract*, concluded for an indefinite period.

Remuneration of non-executive directors

Non-executive directors are members of the Board of Directors who are not also directors in within the meaning of Article 143 of the Companies Act No 31/1990 republished, as amended. The majority of the members of the Board of Directors are non-executive directors.

In order to ensure the independence and integrity of non-executive directors, their remuneration is not linked to the performance of the activities they monitor and control but to the achievement of the objectives related to the duties of their respective functions.

Thus, the fixed remuneration of non-executive directors is granted in close relation to their responsibilities and the time devoted to their duties.

The fixed remuneration comprises the gross fixed remuneration related to their Management Agreement and is subject to the approval of the shareholders at the General Meeting of Shareholders.

The level of gross fixed remuneration set by negotiation between the parties through the Management Agreements is between the level of the minimum salary for the year for which the AGM approves the remuneration (2,300 lei, the minimum salary for the year 2021) and the maximum remuneration in the Company's approved salary grid (20,000 for the year 2021) and does not exceed 3.5 times the average salary of the Company's employees other than those in senior management positions.

Remuneration of non-executive directors shall be paid on a monthly basis or per meeting of the Board of Directors , in accordance with the Management Agreements and from the date of their conclusion.

The Chairman of the Audit Committee is granted an additional fixed monthly remuneration, determined by negotiation between the parties through the Management Agreement, between the minimum salary on the economy for the year for which the AGM approves the remuneration (2,300 lei for 2021) and 6,000 lei.

Remuneration of executive directors

Fixed remuneration

The remuneration of the executive directors consists of a ***fixed remuneration***, paid monthly and determined by negotiation between the parties in accordance with the Management Agreement. This reflects the degree of training, relevant professional experience and organisational responsibility of the Executive Director.



As in the case of non-executive directors, it is between the minimum salary level for the year for which the AGM approves the remuneration (2,300 lei, the minimum salary for 2021) and the maximum remuneration in the Company's approved salary grid, i.e. 20,000 lei in 2021, and does not exceed 3.5 times the average salary of the Company's employees other than those in senior management positions.

In negotiating the fixed remuneration awarded to executive directors, the level of remuneration for similar roles in the sector is taken into account and reflects:

- training, skills and professional experience;
- proven managerial skills in previous work;
- the requirements of the job and the degree of responsibility attached to the position, the duration and the particularities of the work;
- the performance of the duties and responsibilities of the position.

Variable remuneration

Not the case.

However, in perspective, it is also envisaged to introduce **a variable component** of the remuneration of the company's executives (members or not of the Board of Directors) that would include a long-term component in the form of a "stock option plan" loyalty and incentive programme for key persons, whereby key persons in the company's management, including executive directors and executive management, receive option rights to acquire shares free of charge or at a preferential price. The criteria and conditions for the exercise of option rights shall be laid down for each beneficiary / category of beneficiaries of the programme, in part, according to the decisions of the statutory bodies in this sense.

Other benefits granted to members of the Board of Directors (executive/non-executive), on a **negotiated basis**, as set out in the Management Contracts, may consist of: company car, fuel, telephone, laptop, the right to travel expenses for the purpose of carrying out the mandate (in the country and abroad), based on supporting documents, medical insurance (group), life insurance, professional liability insurance, travel insurance abroad (travel), under the conditions set by the AGM Resolution.

The members of the Board of Directors are also entitled to 21 working days of paid leave per year, without these days off having the legal nature of rights regulated by the Labour Code. Untaken rest leave is not compensated in cash.

In the event of termination of the management contracts for the following reasons: expiry of the period, resignation from the mandate, agreement of the parties, at the request of the former manager, the company may provide him/her with a job within the company, according to his/her professional qualifications/experience.

Remuneration of executive management

The executive management of the company is delegated, by the Board of Directors, to two directors a General Manager and an Executive Director.

The appointment and dismissal of directors, the determination of their remuneration, duties and responsibilities as well as the supervision of their activities are the responsibility of the Board of Directors.

Directors may be appointed from among the directors or from outside the Board of Directors.

Directors appointed from among the Directors (executive members of the Board of Directors), will be remunerated in accordance with the terms of the Management Contracts (mandate) and within the limits set by the General Meeting of Shareholders, in accordance with the provisions of this Policy relating to the remuneration of executive directors.

Directors appointed from outside the Board of Directors shall work on the basis of an individual employment contract concluded for an indefinite period, the level of their fixed remuneration being determined by a decision of the Board of Directors, in accordance with the salary scale approved at company level.

Other benefits that may be granted to executive officers (directors) who do not also hold the position of member of the Board of Directors, on a negotiated basis, as established in the Individual Employment Contracts, are as follows: company car, fuel, telephone, laptop, entitlement to travel expenses for the purpose of carrying out the mandate (at home and abroad), medical insurance (group), life insurance, professional liability insurance, travel insurance abroad (travel) under the conditions established by resolution of the Board of Directors.

Company directors (executive and non-executive) benefit from professional liability insurance for the entire period of their mandate, the cost of which is borne by the company.

PROVISIONS ON DIRECTOR CONTRACTS

Duration of contracts with directors

TRANSILVANIA BROKER DE ASIGURARE S.A. has concluded mandate/administration contracts with the members of the Board of Directors. The term of office of the directors is 4 (four) years from the date of appointment, and the directors may be re-elected. The directors' mandate contracts do not exceed the term of office of the Board of Directors.

The individual employment contracts of the directors are concluded for an indefinite period.

Applicable notice periods

For directors with a mandate contract, according to the mandate contract and the decision of the Board of administration in case of removal from office, minimum 90 days and maximum 120 days.

For directors with an employment contract, the notice period in the event of removal from office shall be as follows

provided for in labour law, i.e. 45 working days.

Conditions for terminating contracts with directors

Termination of the mandate/management contracts may take place under the following conditions without any compensation payments related to the termination:

- Failure to perform or defective performance of contractual obligations
- Failure to meet assumed performance indicators
- Non-compliance with AGM/CA resolutions
- Non-compliance with legislation
- Incompatibility or conflict of interest



- Placing under judicial interdict
- Training of the Executive Director's responsibility
- Voluntary relinquishment of the mandate entrusted
- Agreement of the parties' will
- Insolvency or liquidation of the company

The termination of the contracts of the directors is the responsibility of the Board of Directors, which also orders their removal from office.

Payments related to the termination of contracts with directors

The Company does not commit to payments related to the termination of contracts with directors.

Compensation packages awarded on termination of contracts with directors

The company is not committed to providing severance packages upon termination of the directors' contracts.

Provisions on early retirement and/or supplementary pensions

The Company has not adopted a policy of allocating funds for the supplementary pensions of its executives or contributions to voluntary pension funds made by the Company for the benefit of its executives, nor has it adopted remuneration schemes for the early retirement of its executives.

THE POSSIBILITY OF RECOVERING THE VARIABLE REMUNERATION GRANTED

Not the case.

MEASURES TO AVOID CONFLICTS OF INTEREST

In order to avoid conflicts of interest, the leader in conflict of interest shall abstain from voting on his/her own remuneration package and/or mandate contract. It is forbidden to use the position held in the company for the benefit of persons with whom there are family or other extra-professional relationships in remuneration practices.

DEROGATION FROM THE REMUNERATION POLICY

The Company may temporarily deviate from the Remuneration Policy voted at the AGM, only in certain exceptional conditions/situations and only temporarily when necessary to serve the long-term interests and sustainability of the Company or to ensure its viability.

The determination of the exceptional circumstances in which a departure from the adopted Policy may be made and the applicable time period will be determined at a later date, following the recommendations of the Remuneration Committee.

The application of derogations will be assessed by the Management Board, taking into account the particularities of each case of derogation.



PROVISIONS ON THE REVIEW OF THE REMUNERATION POLICY

Once the Remuneration Policy has been approved at the AGM, a separate section of the Remuneration Policy will contain the changes to the policy approved by shareholders, the need for these changes and the alignment of the new changes with the previous shareholder vote on executive remuneration.

FINAL PROVISION

This Policy, *subject to shareholder approval at the AGM*, shall apply until the Annual General Meeting to be held in the year 2025, **unless the** Board of Directors determines that there should be a review of the Policy as a result of significant changes in the life of the Company.

The remuneration policy voted at the AGM, together with the date and results of the vote, will be published without delay on the company's website and will remain **available** to the public, free of charge, for at least as long as applicable.

TRANSILVANIA BROKER DE ASIGURARE S.A. pays remuneration to its managers only in accordance with the Remuneration Policy approved by the Ordinary General Meeting of Shareholders.

If there is not yet a Remuneration Policy proposed and approved by the AGM, or there is a new Policy proposed but not approved, the company may continue to pay remuneration to executives in accordance with existing practice, and is required to present a revised Policy for approval at the next AGM (even if it is not an annual AGM).

In the case of revisions to the Directors' Remuneration Policy, a description and explanation of any significant changes to the Policy and an explanation of how the revised Policy has taken into account the votes and views of shareholders **on** shareholder remuneration / how past shareholder votes have been taken into account in revising the Policy will be included.

The Company will prepare an annual *Remuneration Report* in which it will present how it has complied with the Remuneration Policy approved at the AGM and explain how the ex-post advisory vote of shareholders on the remuneration report for the previous financial year has been taken into account.

CHAIRMAN OF THE BOARD NICULAE DAN

Approved at the Ordinary General Meeting of Shareholders of the company, in accordance with the AGOA Resolution no.14/27.04.2021