

Report on the remuneration of the administrative and executive management of **TRANSILVANIA BROKER DE ASIGURARE S.A.** in the financial year 2023

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PREAMBLE

This report ("Remuneration Report") has been prepared in accordance with the legislative requirements set out in Article 107 of Law no. 24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented, and responds to the principles of transparency and corporate governance assumed by the management of Transilvania Broker de Asigurare S.A. ("the Company", "Transilvania Broker").

The purpose of the Remuneration Report is to present, both in full and in detail, the remuneration paid or due to the Company's directors during the last financial year and to place this picture in the broader context of organisational dynamics and economic and financial performance.

The Company's Directors' Remuneration Report provides a comprehensive overview of remuneration, including all benefits granted or due during the 2023 financial year, to individual directors in accordance with the Company's *Remuneration Policy*, as supplemented/revised.



Accordingly, the remuneration scheme referred to in the Remuneration Report includes any remuneration component, regardless of the form in which it is or has been granted, and relates to the entire senior management team, including all persons who served as a member of the Board of Directors, Chief Executive Officer or Executive Director during 2023.

The Remuneration Report will be submitted to the advisory vote of the Ordinary General Meeting of Shareholders of the Company convened for April 23, 2024. It will be published on the Company's website, https://www.transilvaniabroker.ro/investitori/guvernanta_corporativa and will remain available to the public for 10 years from the date of publication, in accordance with the applicable legal provisions.

BRIEF DESCRIPTION OF THE REMUNERATION POLICY OF TRANSILVANIA INSURANCE BROKER S.A.

The remuneration policy of Transilvania Broker de Asigurare S.A., drawn up in accordance with the applicable legislative provisions, with the Company's Articles of Association and approved at the Ordinary General Meeting of Shareholders held on April 27, 2021, was subsequently supplemented following the approval by the Extraordinary General Meeting of Shareholders, held on September 7, 2021, of the implementation of a long-term motivation, remuneration and loyalty programme for key persons of the "Stock option plan" type, as a variable remuneration component.

The policy adopted is intended to establish principles and practices to ensure the convergence of the level and structure of the Company's management remuneration with the mission and strategic objectives of Transilvania Broker, in conditions of sustainability and optimal performance. The remuneration system is designed to attract, retain and motivate people with optimal skills, professional training and managerial experience to be part of the administrative and executive management of the Company.

By aligning the interests of shareholders with those of management, the remuneration and benefits system contributes directly to the achievement of the Company's business strategy and objectives, as well as to its long-term interests and sustainability.

General principles

The remuneration principles of the management of TRANSILVANIA BROKER DE ASIGURARE S.A. comply with the principles of corporate governance, are in line with a prudent organizational culture in risk-taking and contribute to the good management of the company, its long-term strategy and performance, taking into account the business strategy, culture and values of the organization, long-term interests of the company and shareholders.

The company's remuneration principles are based on fairness, competitiveness and rewarding performance. The level of remuneration must be sufficient to attract, retain



and motivate competent and experienced people within the Board of Directors and Executive Management.

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

- ✚ Attracting, retaining and motivating the best managers/executive leaders
- ✚ 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
- ✚ Promote transparency on remuneration and the criteria for setting it
- ✚ Maintain a fair balance between the fixed and variable component of the remuneration

Components of remuneration

Non-executive directors are members of the Board of Directors who do not hold a directorship within the meaning of Article 143 of the Companies Law No. 31/1990 republished, as amended.

The majority of the members of the Board of Directors are non-executive directors.

The level of gross fixed remuneration set by negotiation between the parties through the Management Agreements is between the minimum salary level for the year for which the AGM approves the remuneration (3,000-3,300 lei, the minimum salary for the year 2023) and the maximum remuneration in the Company's approved salary grid (20,000 for the year 2023) and does not exceed [3.5] times the average salary of Company's employees other than those in senior management positions.

Remuneration of *non-executive directors* shall be paid monthly or per Board meeting 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 (3,000-3,300 lei for the year 2023) and 6,000 lei.

The fixed, permanent remuneration of the *executive directors*, paid monthly and determined by negotiation between the parties in accordance with the Management Agreement, reflects their education, relevant professional experience and organisational responsibility.

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 (3,000 - 3,300 lei, the minimum salary for 2023) and the maximum remuneration in the Company's approved salary grid (20,000 lei in 2023) and does not exceed [3.5] times the average salary of the Company's employees other than those in senior management positions.



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 training and experience.

The executive management of the Company is delegated by the Board of Directors to two directors: a *Managing Director* and an *Executive Director*.

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 or a mandate contract concluded for an indefinite period, in compliance with the legal provisions in this regard, the level of their remuneration being determined by resolution of the Board of Directors, in accordance with the remuneration scale approved at the level of the Company.

Remunerative benefits. The company's directors and members of the executive management are entitled to the reimbursement of expenses related to the execution of their mandate in the interest of the company, such as, but not limited to: transport, daily subsistence allowance, accommodation expenses, both at home and abroad, on the basis of supporting documents, as well as travel insurance abroad.

Other benefits granted to senior management (directors and executive management) include, on a negotiated basis, as established by contracts: 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 statutory bodies.

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.

Variable pay elements for senior management. The adopted remuneration policy also provided for the possibility of introducing variable remuneration components.

Thus, by resolution of the Extraordinary General Meeting of Shareholders held on 7 September 2021, the Company's remuneration policy was supplemented with a **variable component** in the form of a long-term motivation, remuneration and loyalty programme for key persons, of the "stock option plan" type, whereby key persons in the Company's management received the option to participate in the share capital of Transilvania Broker de Asigurare S.A. by granting free or preferential shares, up to 1% of the share capital. The criteria and conditions for exercising the option right were established for each eligible beneficiary / category of eligible beneficiaries of the programme, in accordance with the decisions of the statutory bodies in this respect.

The same EGM delegated to the Board of Directors the power to define the elements of this plan, such as the identification of the eligible persons, the establishment of the terms of the option contracts, the period between the grant and the exercise date of the option right, the conditions for exercising the option right, etc.

The Stock Option Plan Key Person Incentive Plan for the period 2022- 2025, as approved by the EGM, is attached to the Policy.

Following the implementation of the Programme, in order to achieve the individual performance targets set for the year 2023, the Executive Director was granted the right to acquire, free of charge, a number of 3,291 ordinary shares of Transilvania Broker, representing 50% of the number of repurchased shares, within the limit of the allocated budget of RON 125,000, corresponding to the first tranche of options for the performance period 2022, according to *the Option Contract no.1 signed on June 02, 2022.*

The conditions for the exercise of the option were set out in the Option Agreement between the parties, the deadline for exercising the rights being 01.06.2023.

The transfer of the shares to the beneficiaries took place on 26.06.2023, through the Central Depository.

REMUNERATION OF THE MANAGEMENT OF TRANSILVANIA BROKER IN 2023

Members of the Society's management in 2023

Full name	Function	Term of office in 2023
Niculae Dan	Chairman of the Board of Directors/ Non-Executive Director	01.01 - 31.12.2023
Deneș Daniela Tasia	Independent administrator/ Chairman Audit Committee	01.01 - 31.12.2023
Țuică Gabriel Alexandru	Non-Executive Director/Audit Committee Member	01.01 - 31.12.2023
Bobu Carmen Loredana	Non-Executive Director	12.05 - 31.12.2023
Login Gabriel	Executive Administrator/ Director General	01.01 - 31.12.2023
Cotiac Ion	Executive Director	01.01 - 31.12.2023

Elements of individual remuneration of the Company's management in 2023

Full name	Gross annual fixed remuneration (lei)	Annual variable remuneration (shares granted)
Niculae Dan	169.332	0
Deneș Daniela Tasia	141.600	0
Țuică Gabriel Alexandru	5.864	0
Bobu Carmen Loredana	6.600	0
Login Gabriel	174.000	0
Cotiac Ion	203.813	3,291 shares (representing the equivalent of 61,844 lei)

Total remuneration of the Company's management for the year 2023, broken down by components

Share of fixed and variable remuneration in total remuneration paid

Remuneration annual total (lei)	Relative share of fixed remuneration	Relative proportion of variable remuneration
763.053	91,89%	8,10%

Non-financial benefits granted to Company executives in 2023

Full name	Auto	Combustible	Phone service	Laptop service	Decontare chelt. depl.	Medical insurance (group)	Asigurare de viață	Liabilitate profesională
Niculae Dan	✓	✓	✓	✓	✓	✓	-	✓
Deneș Daniela Tasia	-	-	-	-	-	✓	-	✓
Țuică Gabriel Alexandru	✓	✓	✓	✓	✓	✓	-	✓
Bobu Carmen Loredana	-	-	-	-	-	-	-	✓
Login Gabriel	✓	✓	✓	✓	✓	✓	-	✓

Cotiac Ion	✓	✓	✓	✓	✓	✓	-	✓
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**STRUCTURE COMPARATIVE ABOUT CHANGE OF
REMUNERATION AND COMPANY PERFORMANCE**

Annual amendment percentage	2023 vs 2022 (Δ%)	2022 vs 2021 (Δ%)	2021 vs 2020 (Δ %)	2020 vs 2019 (Δ %)
Remuneration of managers*				
Niculae Dan	0%	0%	0%	0%
Deneș Daniela Tasia	+14,56%	+3%	0%	0%
Țuică Gabriel Alexandru	-23,76%	+200%	-80%	0%
Bobu Carmen Loredana	-	-	-	-
Login Gabriel	0%	+50%	-	-
Cotiac Ion	+6.1%	+14,45%	+2,23%	+17,46%
Company Performance				
Net profit	-34,3733%	+67,48%	+29,23%	+14,81%

*In order to facilitate the interpretation of the information in the above table, we specify the following:

Position held / Administrator	2023	2022	2021	2020	2019
Niculae Dan	Council President	Council President	Chairman of the Board/ Director-General	Chairman of the Board/ Director-General	Chairman of the Board/ Director-General
Deneș Daniela Tasia	Independent Director/ Chairman Audit Committee	Independent Director/ Chairman Audit Committee	Independent Director/ Chairman Audit Committee	Independent administrator/ President Audit Committee	Independent Director/ Chairman Audit Committee
Țuică Gabriel Alexandru	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
Bobu Carmen Loredana	Non-Executive Director (12.05 - 31.12)	-	-	-	-
Login Gabriel	Executive Administrator/ Director General	Executive Administrator/ Director General	Executive Administrator / General Manager (26.04-31.12)	-	-



Cotiac Ion	Executiv e Director	Executiv e Director	Executiv e Director	Executiv e Director	Executiv e Director
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FINAL CLARIFICATIONS

The total individual remuneration of the Company's executives has been awarded in accordance with the Company's adopted Remuneration Policy for the period 2021-2024.

The fixed allowance, payable 12 times a year or in relation to the number of Board meetings, for the performance of the duties incumbent on the Company's directors, in the amount shown in the table above, was paid in full during the financial year 2023.

The remuneration of the Company's managers recognises the complexity and responsibility associated with the content of the work carried out in the contractual relationship established between the managers and the Company, correlating their motivation and efforts. At the same time it encourages long-term management commitment to serve the interests and sustainability of the Company.

For the individual annual performance set for 2023, the Company has granted the Executive Director, shares free of charge under a key person incentive scheme.

There were no exceptional situations within the Company that led to deviation from the procedure for implementing the *Remuneration Policy*.

Also, there have been no significant changes in the Company's remuneration practices, its overall financial or operational performance or the sector in which Transilvania Broker de Asigurare S.A. operates that would require a revision of the current Management and Executive Remuneration Policy to be brought to the attention of the General Meeting of Shareholders.

The Remuneration Report for the previous year _2022, submitted to the consultative vote of the Ordinary General Meeting of Shareholders in the meeting held on 26.04.2023, was unanimously expressed without reservations, being considered in accordance with the Remuneration Policy adopted at the Company level and with the relevant legal provisions, a fact confirmed by the opinion of the statutory auditor, expressed on the Report.

This *Remuneration Report* has been prepared in accordance with the requirements of Law 24/2017, republished, as amended and supplemented, has been approved by the Board of Directors of Transilvania Broker de Asigurare S.A. on **March 19, 2024** and will be submitted to the advisory vote of the Annual Ordinary General Meeting of Shareholders on **April 23, 2024**.

Further to the current Remuneration Report, the Issuer will explain in the next report how the vote of the General Meeting was taken into account.

Chairman of the Board of Directors

NICULAE DAN