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Management remuneration report  
**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
in financial year 2021

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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, 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 set this picture within the broader framework 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 2021 financial year, to individual directors in accordance with the Company's *Remuneration Policy*. Accordingly, the remuneration scheme referred to in the Remuneration Report includes any remuneration component, irrespective of the form in which it is or has been granted, and relates to the entire senior management team,



including all individuals who served as a member of the Board of Directors, Managing Director or Chief Executive Officer during 2021.

The Remuneration Report will be submitted to the advisory vote of the Ordinary General Meeting of Shareholders of the Company convened for 27 April 2022. It will be published on the Company's website <https://www.transilvaniabroker.ro/en/investor-relations/corporate-governance/> 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 BROKER DE ASIGURARE 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 on 27 April 2021, is intended to establish the principles and practices that ensure the convergence of the level and structure of the remuneration of the Company's management 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 should be sufficient to attract, retain and motivate competent and experienced individuals on 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
- ✓ 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 and variable components of remuneration



## Components of remuneration

**Non-executive directors** are members of the Board of Directors who are not also directors within the meaning of Article 143 of the Company Law no. 31/1990 republished, as amended and supplemented. 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 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 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 (2,300 lei for 2021) and 6,000 lei.

The fixed remuneration of the Executive Directors, which is of a permanent nature, is paid monthly and is determined by negotiation between the parties in accordance with the Management Agreement, and reflects the degree of training, relevant professional experience and organisational responsibility. As for non-executive directors, it is between the level of the minimum salary for the year for which the AGM approves the remuneration (RON 2,300, the minimum salary for 2021) and the maximum remuneration in the Company's approved salary grid, i.e. RON 20,000 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 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 concluded for an indefinite period, the level of their remuneration being determined by a decision of the Board of Directors in accordance with the salary scale approved at Company level.



**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 set out in the Management 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.** Although the remuneration policy provides for the possibility of introducing variable remuneration components, there were no forms of variable remuneration at 2021 level.

The Extraordinary General Meeting of Shareholders of the Company held on 7 September 2021 approved an incentive programme for key persons in the form of a Stock-Option-Plan, the object of which will be shares representing not more than 1% of the share capital. The same AGM delegated to the Board of Directors the power to define the elements of this plan, such as the identification of eligible persons, the determination of the terms of the option contracts, the period between the grant date and the exercise date of the option right, the conditions for exercising the option right, etc. The remuneration policy will be completed with this information once approved by the Board of Directors.

## REMUNERATION OF THE MANAGEMENT OF TRANSILVANIA BROKER IN 2021

### Members of the Society's management in 2021

Full name	Function	Term of office in 2021
Niculae Dan	Chairman of the Board of Directors and CEO	01.01 - 30.04.2021
	Chairman of the Board of Directors, non-executive director	01.05 - 31.12.2021
Deneș Daniela Tasia	Independent administrator, Chairman Audit Committee	01.01 - 31.12.2021
Țuică Gabriel Alexandru	Non-executive Director	01.01 - 31.12.2021
Barna Erik	Independent administrator	26.04 - 31.12.2021
Login Gabriel	Administrator	26.04 - 31.12.2021

	General Director	01.05 - 31.12.2021
<b>Cotiac Ion</b>	Executive Director	01.01 - 31.12.2021

### Elements of individual remuneration of the Company's management in 2021

Full name	Gross fixed annual remuneration (lei)	Annual variable remuneration (lei)
Niculae Dan	169.332	0
Deneș Daniela Tasia	120.000	0
Țuică Gabriel Alexandru	2.564	0
Barna Erik	0	0
Login Gabriel	116.000	0
Cotiac Ion	170.427	0

### Non-financial benefits granted to the Company's managers in 2021

Full name	Auto.	Com-fuel	Phone service	Laptop service	Settlement of expenses	Medical insurance (group)	Life insurance	Insurance answer. prof.
Niculae Dan	✓	✓	✓	✓	✓	✓	-	✓
Deneș Daniela Tasia	-	-	-	-	-	✓	-	✓
Țuică Gabriel Alexandru	✓	✓	✓	✓	✓	✓	-	✓
Barna Erik	-	-	-	-	-	-	-	✓
Login Gabriel	✓	✓	✓	✓		✓	-	✓
Cotiac Ion	✓	✓	✓	✓	✓	✓	-	✓

## COMPARATIVE STRUCTURE OF REMUNERATION CHANGES AND COMPANY PERFORMANCE

Annual percentage change	2021 vs 2020 (Δ%)	2020 vs 2019 (Δ %)	2019 vs 2018 (Δ %)	2018 vs 2017 (Δ %)
<b>Remuneration of managers*</b>				
<b>Niculae Dan</b>	0%	0%	+111,3%	0%
<b>Deneș Daniela Tasia</b>	0%	0%	+464,5%	0%
<b>Țuică Gabriel Alexandru</b>	-80%	0%		0%
<b>Barna Erik</b>	-	-	-	-
<b>Login Gabriel</b>	-	-	-	-
<b>Cotiac Ion</b>	+2,23%	+17,46%	+622.47%	+232,93
<b>Company Performance</b>				
<b>Net profit</b>	+29,23%	+14,81%	+17,21%	+16,24%
<b>Average remuneration on a full-time equivalent basis of employees of the Company who are not managers</b>				
<b>Company Employees</b>				



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

Position held / Administrator	2021	2020	2019	2018	2017
<b>Niculae Dan</b>	President of the Council; Director-General (01.01 - 25.04)	President of the Council; Director-General	President of the Council; Director-General	Council President; Director General	Council President; Director General
<b>Deneș Daniela Tasia</b>	Administrator and Audit Committee Chairman	Administrator and Audit Committee Chairman	Administrator and Audit Committee Chairman	Administrator and Audit Committee Chairman	Administrator and Audit Committee Chairman
<b>Țuică Gabriel Alexandru</b>	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
<b>Barna Erik</b>	Independent administrator (26.04-31.12)	-	-	-	-
<b>Login Gabriel</b>	Administrator Director General (26.04-31.12)	-	-	-	Executive Director
<b>Cotiac Ion</b>	Executive Director	Executive Director	Executive Director	Executive Director	-

## FINAL CLARIFICATIONS

The total individual remuneration of the Company's executives has been awarded in accordance with the Remuneration Policy prepared by the Company for the period 2021-2024. The fixed allowance payable 12 times per annum in respect of the duties of the Company's Directors in the amount shown in the table above was paid in full during the financial year 2021.

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.

*The Company has not granted shares and stock options to executives under a share-based compensation program.*

*The remuneration policy does not provide for variable remuneration components and, therefore, no clawback or adjustment clauses for variable remuneration granted.*



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

This Report has been prepared in accordance with the requirements of Law 24/2017 and has been approved by the Board of Directors of Transilvania Broker de Asigurare S.A. on 22.03.2022 and is to be submitted to the advisory vote of the Annual Ordinary General Meeting of Shareholders on 27.04.2022. The Issuer will explain in the next Remuneration Report how the vote of the General Meeting was taken into account.

**Chairman of the Board of Directors**

**NICULAE DAN**