

Report on the remuneration of the administrative and executive  
management of  
**Soc. TRANSILVANIA BROKER DE ASIGURARE S.A.**  
in the financial year 2022

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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 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 2022 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 2022.

The Remuneration Report will be submitted to the advisory vote of the Ordinary General Meeting of Shareholders of the Company convened for 26 April 2023. It will be published on the Company's website <https://www.transilvaniabroker.ro/relatia-cu-investitorii/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 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 held on 27 April 2021, was subsequently supplemented following the approval by the Extraordinary General Meeting of Shareholders, held on 7 September 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 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/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
- ✚ 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 minimum salary level for the year for which the AGM approves the remuneration (2,550 lei, the minimum salary for the year 2022) and the maximum remuneration in the Company's approved salary grid (20,000 for the year 2022) 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 (2,550 lei for the year 2022) 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 2,550, the minimum salary for the year 2022) and the maximum remuneration in the Company's approved salary grid, i.e. RON 20,000 in the year 2022, 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 resolution 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.** The adopted remuneration policy also provided for the possibility of introducing variable remuneration components.

Thus, by the resolution of the Extraordinary General Meeting of Shareholders held on 7 September 2021, the Company's remuneration policy is 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 - executive directors and/or executive management - receive 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 are established for each eligible beneficiary / category of eligible beneficiaries of the programme, according to the decisions of the statutory bodies in this regard.

The same AGEA 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 AGEA, is attached to the Policy.

Following the implementation of the Programme, in order to achieve the individual performance targets set for the year 2022, 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 2, 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.

## REMUNERATION OF THE MANAGEMENT OF TRANSILVANIA BROKER IN 2022

### Members of the Society's management in 2022

Full name	Function	Term of office in 2022
<b>Niculae Dan</b>	Chairman of the Board of Directors/ Non-Executive Director	01.01 - 31.12.2022
<b>Deneș Daniela Tasia</b>	Independent administrator/ Chairman Audit Committee	01.01 - 31.12.2022
<b>Țuică Gabriel Alexandru</b>	Non-Executive Director/Audit Committee Member	01.01 - 31.12.2022
<b>Barna Erik</b>	Non-Executive Director	01.01 - 25.10.2022 (resignation from mandate)
<b>Login Gabriel</b>	Executive Administrator/ Director General	01.01 - 31.12.2022
<b>Cotiac Ion</b>	Executive Director	01.01 - 31.12.2022

### Elements of individual remuneration of the Company's management in 2022

Full name	Gross fixed annual remuneration (lei)	Annual variable remuneration (stock options)
Niculae Dan	169.332	0
Deneș Daniela Tasia	123.600	0
Țuică Gabriel Alexandru	7.692	0
Barna Erik	8.548	0
Login Gabriel	174.000	0
Cotiac Ion	192.055	3,291 shares (representing the equivalent of 61,844 lei)

### Total remuneration of the Company's management for the year 2022, broken down by components

#### Share of fixed and variable remuneration in total remuneration paid

Total annual remuneration (lei)	Relative share of fixed remuneration	Relative proportion of variable remuneration
737.071	91,61%	8,39%

### Non-financial benefits granted to Company executives in 2022

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	✓	✓	✓	✓	✓	✓	-	✓
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## COMPARATIVE STRUCTURE OF REMUNERATION CHANGES AND COMPANY PERFORMANCE

Annual percentage change	2022 vs 2021 (Δ%)	2021 vs 2020 (Δ %)	2020 vs 2019 (Δ %)	2019 vs 2018 (Δ %)
<b>Remuneration of managers*</b>				
<b>Niculae Dan</b>	0%	0%	0%	+111,3%
<b>Deneș Daniela Tasia</b>	+3%	0%	0%	+464,5%
<b>Țuică Gabriel Alexandru</b>	+200%	-80%	0%	+50,75%
<b>Barna Erik</b>	-	-	-	-
<b>Login Gabriel</b>	+50%	-	-	-
<b>Cotiac Ion</b>	+14,45%	+2,23%	+17,46%	+622.47%
<b>Company Performance</b>				
<b>Net profit</b>	+67,48%	+29,23%	+14,81%	+17,21%

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

Position held / Administrator	2022	2021	2020	2019	2018
<b>Niculae Dan</b>	Council President	Chairman of the Board/ Director-General	Chairman of the Board / Director General	Chairman of the Board / Director General	Chairman of the Board / Director General
<b>Deneș Daniela Tasia</b>	Independent Director/ Chairman Audit Committee	Independent Director/ Chairman Audit Committee	Independent Director/ Chairman Audit Committee	Independent administrator/ Chairman Audit Committee	Independent administrator/ Chairman Audit Committee
<b>Țuică Gabriel Alexandru</b>	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	





					Non-Executive Director
<b>Barna Erik</b>	Non-Executive Director (01.01-25.10)	Non-Executive Director (26.04-31.12)	-	-	
<b>Login Gabriel</b>	Executive administrator/ Director General (01.01-31.12)	Executive 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 2022.

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 individual annual performance set for 2022, the Company has granted executive officers stock options under a stock-based compensation program, which are to vest at no cost.

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

Also, no significant changes have occurred at the level of the Company or in its structure in terms of remuneration practices, its overall financial or operational performance or the sector in which Transilvania Broker de Asigurare S.A. operates, which would require a revision of the current remuneration policy for administrative and executive management to be brought to the attention of the General Meeting of Shareholders.



*The Remuneration Report for 2021*, submitted to the consultative vote of the Ordinary General Meeting of Shareholders in the meeting of April 27, 2022, was unanimously expressed without reservations, being considered in compliance with the Remuneration Policy adopted at the Company level and with the applicable legal provisions, which is also confirmed in the auditor's opinion expressed on the report.

This Report has been prepared in accordance with the requirements of Law 24/2017, republished and has been approved by the Board of Directors of Transilvania Broker de Asigurare S.A. on March 22, 2023 and is to be submitted to the advisory vote of the Annual Ordinary General Meeting of Shareholders on April 26, 2023.

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**