

Item 2 of the EGMS Regarding SOP Redemptions

We come with some additional details in relation to this item on the EGMS agenda, concerning the approval of the Bank's repurchase of its own shares, in accordance with the applicable legal provisions, up to 5,000,000 shares at a minimum price equal to the BVB market price at the time of purchase and a maximum price of 38 lei/share, for a maximum period of 18 months starting from the date of publication of the EGMS Decision in the Official Gazette of Romania Part IV, within the framework of a stock option plan in order to implement a remuneration system and run a staff loyalty programme for a period of at least 4 years, as well as the payment of fixed remunerations, respectively granting a corresponding mandate to the Board of Directors for carrying it out.

The above-mentioned repurchase process aims at further implementing a remuneration system in line with applicable national and international legislative requirements and best practices. Thus, this remuneration system aims at implementing legislative requirements on sound remuneration policies and practices as well as an effective risk alignment of remuneration, including in terms of payment in instruments and appropriate means of adjustment. These requirements are implemented through the operation of a stock option plan, in accordance with the provisions of Law No. 227 of 8 September 2015 on the Tax Code, as amended. Under this programme, Banca Transilvania will grant employees and other staff members the opportunity to acquire shares issued by BT free of charge, under the terms of the Stock Option Plan/SOP.

The remuneration system envisages both variable and fixed remuneration payments. We stress that in order to align with the requirements of European and national banking legislation, a significant part of the remuneration paid to senior management must be fixed. In accordance with the legislative provisions in force on sound remuneration policies, the members of the management body in its supervisory function (Board of Directors) will be remunerated exclusively with fixed remuneration precisely in order to adequately address conflicts of interest and to rule out potential incentive-based mechanism depending on the performance of the company (taking into account the European Banking Authority – EBA guidance). At the same time, in the case of listed banks, the EBA recommendation is that remuneration should be composed in a significant proportion of financial instruments, not only cash, thus complying also with the above-mentioned authority's requirements in terms of risk adjustment of remuneration.

As such, all remuneration paid to them is fixed, based on pre-determined criteria, with no incentives for risk-taking, non-dependent on performance and not linked to any long-term performance incentive plans. **No variable remuneration is paid to members of the Board of Directors (including all independent members).**

In any case, shares paid through this plan will be allocated only after a minimum period of one year has elapsed between the time of grant and the time of exercise, as mentioned above. For the purpose of granting variable remuneration, the individual annual performance of the members of the Leaders' Committee as well as of the other beneficiaries is determined in accordance with rules set out in the internal methodology.

In the case of the members of the above-mentioned committee, the rules used to assess annual performance are based on the SMART objectives methodology. These principles are the foundation of the methodology used for the rules for determining the criteria. The performance evaluation criteria take into account a sufficient period of time to measure actual performance, using criteria that can be quantified, both qualitative and quantitative. A member of the Leaders' Committee shall be assigned including targets related to sustainability and accountability/ESG (as appropriate). The use of such individual performance targets ensures alignment between the Bank's remuneration practices, senior management's interests and overall sustainability and accountability/ESG objectives of the bank. General performance criteria on which the entitlement to shares or other variable components of remuneration is based (cumulative):

- Achievement of the gross profit target in the year for which the valuation is made (for the base part) and/or for the previous year (for the deferred part);
- Maintain optimal liquidity, keeping the value of the immediate liquidity indicator at the limit of the assumed risk appetite for the year for which the assessment is made (for the base part) and/or for the previous year (in the case of the deferred part);
- Maintain a level of solvency (calculated by reference to internal capital) in accordance with the Internal Risk Capital Adequacy Process for the year for which the assessment is made (for the base part);
- The fit of the Bank's overall risk profile with the risk appetite assumed in the year for which the assessment is made (for the base part) and/or for the previous year (for the deferred part).

In addition to these objectives, there are individual qualitative objectives. At the individual level, All KPIs weight the same and have the same impact on the general score for granting the variable remuneration. By not fulfilling any of their KPIs or the quantitative criteria, the Leaders' forfeit

their right to receive the variable remuneration. A score of 3 signifies a 100% degree of accomplishment. Any additional points accrued above the score of 3 do not give rise to any extra level of remuneration. The individual performance targets for the issuer's management for the current financial year mainly concern:

- Increasing the contribution of subsidiaries and achieving financial targets by increasing volumes and streamlining processes.
- Maintaining a solid risk profile, with a focus on NPL, loan recovery, anti-fraud strategies and the implementation of new EBA/Basel/CSRD requirements.
- Developing and expanding green and sustainable financing.
- Accelerating digital transformation: BT Pay, BT Go, digital onboarding, automation, customer migration, digital payments and new platforms.
- Optimising operational processes, with a focus on efficiency and automation.
- Technology upgrades: reducing complexity, adopting cloud infrastructure, refining IT processes and consolidating data infrastructure.
- Team development: integrating new members, increasing skills and implementing the succession plans.
- Growth of business segments by achieving targets set in relation to portfolio, P&L and assets under management.
- Strengthening operational resilience and continuously updating the governance model in order to maintain its modern, transparent and European requirements aligned character.

Complementary to setting performance targets for each member of senior management, sustainability and sustainable development criteria were also set for the current financial year, as follows, but not limited to:

- continuous development of green and sustainable lending,
- reducing the carbon footprint and streamlining IT infrastructure,
- expanding the range of products & campaigns provided on digital channels (e.g. through apps),
- financial inclusion and accessibility through inclusive and secure products,
- improved customer experience & user-centred services,
- robust security risk management (especially cybersecurity and data protection),
- operational efficiency, transparency and control,

- acceleration of digital transformation with an impact on internal governance (to optimise resource consumption).

Furthermore, variable pay is divided into the part granted instantly and the part deferred in terms of vesting. Certain categories of Beneficiaries are entitled to exercise the option to receive free shares for percentages between 40% and 60% of the total variable remuneration, as the part granted instantly. For the deferred difference, the related remuneration is deferred for a period of between 3 and 5 years, the release being subject to the fulfilment of the specific criteria mentioned above for each deferred tranche. The deferred variable remuneration of the Leaders' Committee is subject to a deferral period of 5 years and is appropriately linked to the nature of the business, its risks and the activities of the staff concerned, as follows:

- 1/5 of the deferred variable part will be paid in T+1
- 1/5 of the deferred variable part will be paid in T+2
- 1/5 of the deferred variable part will be paid in T+3
- 1/5 of the deferred variable part will be paid in Q+4
- 1/5 of the deferred variable part will be paid in T+5, where T is the time at which the corresponding part of the variable remuneration awarded is paid immediately.

The deferral period may be extended as decided by the Board of Directors. After the expiry of each deferral period for the members of the Leaders' Committee, a 12-month holding period applies, i.e. a period of time after the vesting of the shares that have been granted as variable remuneration, during which they may not be sold or accessed without the approval of the Board of Directors. Variable remuneration paid in shares is subject to ex ante and ex post risk adjustments (malus and clawback), in accordance with and within the limits set by the remuneration policy on the Bank's governing body approved by the General Meeting of Shareholders on 28th of April 2021.

We would like to note that a significant portion of the total number of shares to be repurchased will be allocated to eligible employees. For comparison, we note that 68.5% of the shares in the Stock Option Plan were allocated to employees in 2024, and in 2025, 80.3% of the shares were allocated to them, with the remainder allocated to management. We note that payment in shares offers multiple benefits, including: aligning the interests of the bank's shareholders with those of its employees, leading to improved performance, as well as the fact that payment in shares allows for a reduction in the costs incurred by the Bank for employee compensation (compared to cash payments), providing a better return to shareholders at year-end.