



FUNDAMENTAL ASPECTS REGARDING
THE ACTIVITY OF BANCA TRANSILVANIA'S INTERNAL COMMITTEES

a) Audit Committee

The Audit Committee is formed by non-executive members of the Board of Directors. Legal basis: International Audit Standards-ISA 260-18, 2005-CAFR; Company Law 31/1990; NBR Regulation 5/17.09.2013 on the administrative framework of the activity of credit institutions, the internal process for the evaluation of capital adequacy to risks and the outsourcing conditions of their activities; BT's Rules of Organization and Administration; Structure: 3 non-executive members of the Board of Directors.

Responsibilities related to: financial statements - important aspects regarding the accounting principles and the presentation of financial statements, including any significant change in the bank's decision in terms of selecting or applying the accounting principles; internal control - assessment of the internal control by the internal and external audit function as concerns the financial statements and the obtention of reports and recommendations on the findings; internal audit; external audit; reporting and other responsibilities.

b) Risk Management Committee

The Risk Management Committee is subordinated to the Board of Directors and is established to issue competent and independent opinions on the risk management policies and procedures, the capital adequacy and the bank's appetite to risk and to exercise the attributions mandated by the Board of Directors in this field of activity.

The Risk Management Committee consists at the present in 4 directors.

Responsibilities mainly related to: advising the Board of Directors on the bank's risk appetite and the strategy for the management of current and future risks to which the bank is exposed; assisting the Board of Directors in the supervision of the strategy implementation by the Leaders' Committee. The general responsibility regarding risk management remains with the Board of Directors.

c) Remuneration and Nomination Committee

The Remuneration and Nomination Committee is subordinated to the Board of Directors and is established to issue competent and independent opinions on the remuneration policies and practices, on the remuneration of the personnel involved in risk management, capital adequacy and the bank's liquidity, on the nomination policies and to exercise the attributions mandated by the Board of Directors in this field of activity.

Structure of the Remuneration and Nomination Committee:

- Chairman of the Board of Directors
- 2 members of the Board of Directors

The Committee analyzes and ensures that the general principles and the policies on staff remuneration and reward are compliant with the business strategy, the objectives, values and long-term interests of Banca Transilvania.

The Remuneration and Nomination Committee (REMCO) meets at least twice a year or whenever necessary, upon the request of one of its members or of the bank's leaders.

d) Leaders' Committee

The Bank's Leaders are appointed by the Board of Directors and they must fulfill the applicable legal conditions, respectively to be authorized by the NBR prior to the effective exercise of function. The rules and procedures of the Leaders' Committee are approved by the Board of Directors. Any modification of the herein document must be adopted by the Board of Directors and shall operate after its approval.

Main attributions of the Leaders' Committee:

- to draft the bank's strategy, to submit it for approval to the Board of Directors and to ensure its implementation;
- to implement the strategic decisions adopted by the Board, respectively the Audit Committee;
- to ensure appropriate risk management and control
- to manage the bank, to act in the bank's best interest and to increase the bank's value.

e) Procurement Committee

The main objective of the Procurement Committee is to decide the procurement policy in BT and to approve all investments involving expenses outside the contractual framework or exceeding the cost limits stipulated by contract by more than euro 1000 / request.

f) Assets and Liabilities Committee (ALCO)

The main objective of the Assets and Liabilities Committee is the management of the bank's assets and liabilities.

The Committee is appointed by the Leaders' Committee.

The meetings of the Assets and Liabilities Committee occur on a periodical basis or whenever required by any member of the committee.

The Assets and Liabilities Committee receives informative materials and reports from the specialized departments, it analyzes them and adopts decisions with respect to the management of the interest risk / FX risk / liquidity risk / price risk and the related activity segments, for the purpose of an adequate management of the bank's assets and liabilities. The decisions shall include exact terms and concrete responsibilities.

g) Human Resources Committee (CRU)

The HR Committee is established to develop and increase the efficiency of the decision making process in connection to BT's employees.

The Human Resources Committee meets at least once per trimester or whenever necessary, upon the request of the HR Executive Manager.

Attributions of the Human Resources Committee: appointments on the following positions: agency manager, head of agency/head of work unit, head of department, office manager, deputy operations manager; approval of appointments on the following positions: deputy manager-companies, deputy manager-company sales, deputy manager-company loans, branch manager, regional manager, division manager and submission for approval to the Leaders' Committee/Board of Directors; approval of the salary and reward policy which is subsequently submitted to the approval of the Remuneration and Nomination Committee; approval of the rewards for the achievement of monthly/quarterly objectives; approval of salary modifications for retention/promotion purposes, over the competence limit of the HR Manager + Deputy CEO/Executive Manager; approval of premiums and other benefits for the employees, according to the bank's Remuneration Policy, approved by the Remuneration and Nomination Committee; validation of the annual performance evaluation results of the employees.

h) Credit approval committees

Committee for credit policy and approval (CPAC)

Its main objective is to establish BT's credit policy and to approve the credit facilities which exceed in terms of value or conditions the competences of other bodies or employees of the bank.

CPAC also approves the loans under the competence of the branch credit and risk committees (CCRS) which failed to obtain the majority of votes. Loans are approved during meetings or by Internal Memos and the approval is valid if obtained with the majority of the participants' votes.

Head Office Credit and Risk Committees (CCR1 / CCR2)

The purpose of the Head Office Credit and Risk Committees is to analyze and approve loans, respectively to restructure loans based on the granted competences.

The Committee for credit policy and approval authorizes CCR1 and CCR2 to approve loans (the competence is established by specific internal regulations).

CCR2 may also approve loans which do not exceed 10% of its own competence limit, with respect to clients for which the competence of CCR2 was exceeded at the date of analysis according to the individual or group exposures and which fall under the competence of CPAC.

Branch Credit and Risk Committee (CCRS)

The purpose of the Branch Credit and Risk Committees is to analyze and approve loans, respectively to restructure loans (the generic term is loan approval) based on the granted competences.

The competence of the Branch Credit and Risk Committee is designed to meet the requirements relating to the size and structure of staff within Banca Transilvania's branches.

There are 3 types of credit and risk committees at branch level:

a. Credit and Risk Committee approving the loans granted to Corporate clients; numbers of members: minimum 3.

b. Credit and Risk Committee approving the loans granted to SME clients;

b. Credit and Risk Committee approving the loans granted to retail clients.

The Committee decisions are made by consensus (affirmative/negative vote of all members).

i) Recovery and Workout Committee (CRW)

The main purpose of the Recovery and Workout Committee is to analyze and make decisions for the implementation of the recovery solutions proposed by the Credit Recovery-Workout Department. The recovery solutions are aimed mainly at the redressal of the selected customers in default who can no longer sustain the debt service from their current activity, or at the identification of adequate solutions ensuring a better recovery of the amounts due to the bank.

Loans are approved during meetings or by Internal Memos and the approval is valid if obtained with the majority of the participants' votes.

j) Committee for Monitoring Debt Enforcement and Realization of Assets (CMESVA)

The Committee for Monitoring Debt Enforcement and Realization of Assets is appointed by the Leaders' Committee and its main responsibility is to supervise the management of real estate assets which are under enforcement or arise from the execution of guarantees established for the loans granted to retail or company clients.

k) Financial Institutions Credit Committee (CCIF)

The purpose of the Financial Institutions Credit Committee is to supervise the activities involving the credit exposure of Banca Transilvania in relation to Romanian or foreign financial institutions.

CCIF approves all the derogations from the applicable internal rules and procedures regarding the cooperation between Banca Transilvania and other financial institutions in Romania or abroad.