

**REMUNERATION REPORT OF
TRANSILVANIA INVESTMENTS ALLIANCE S.A.
for the year 2023**

Transilvania Investments Alliance (hereinafter referred to as the Company or Transilvania Investments) is a Romanian legal person organised as a joint stock company (S.A.). The company is listed on Bucharest Stock Exchange, the trading of the share issued by the Company being subject to the rules applicable to the regulated market and closed-end alternative investment funds.

Transilvania Investments Alliance is self-managed, diversified closed-end Retail Investor Alternative Investment Fund (R.I.A.I.F.), set up as an investment company. At the same time, Transilvania Investments Alliance is authorized as an Alternative Investment Fund Manager (A.I.F.M.)

The Company carries out its activity in accordance with the applicable Romanian law and is managed under a two-tier system.

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General framework

This report is prepared in accordance with the legal provisions and will accompany the annual financial statements of Transilvania Investments Alliance S.A. The report is intended to present an overview of the remuneration and benefits granted during the last financial year to the Company's management, in accordance with the Remuneration Policy approved by the shareholders.

In accordance with the Remuneration policy, the remunerations and benefits granted shall be disclosed in the remuneration report prepared for the last financial year, in accordance with the legal provisions, which is submitted to the vote in the Ordinary General Meeting of Shareholders together with the financial statements, the shareholders' vote having a consultative character. The Remuneration Report is audited by the Company's financial auditor and is available on the Company's website for a 10-year period.

Therefore, the report for the financial year 2023 (the *Report*) has been prepared in accordance with the provisions of Law 24/2017 *on issuers of financial instruments and market operations*, as further amended and supplemented. The Report will be submitted to the vote in the annual Ordinary General Meeting of Shareholders of April 2024, the shareholders' vote having a consultative character.

The Remuneration report for the year 2022 was approved by the Ordinary General Meeting of Shareholders of April 2023 with the majority of votes and no additional requirements were formulated during the general meeting.

After its approval by the Ordinary General Meeting, the Remuneration Report will be published on the Company's website www.transilvaniainvestments.ro and will be available to the public for a 10-year period.

Given the Company's capacity as an Alternative Investment Fund Manager (A.I.F.M.) and Retail Investor Alternative Investment Fund (R.I.A.I.F.), the Report is prepared also in accordance with the applicable legislative framework, namely:

- Law no. 74/2015 *on alternative investment fund managers*;
- F.S.A. Regulation no. 10/2015 *on the management of alternative investment funds*, as further amended and supplemented;
- ESMA Guide 232/2013 *on sound remuneration policies under AIFMD*;
- Law no. 31/1990 *on companies*;
- Law no. 24/2017 *on issuers of financial instruments and market operations*.

1. Management structures

In accordance with the Articles of Incorporation, Transilvania Investments Alliance S.A. is managed under a two-tier system by an Executive Board which carries out its activity under the control of the Supervisory Board.

Supervisory Board

The members of the Supervisory Board are elected by the general meeting of shareholders by secret vote, for a 4-year mandate.

The members of the Supervisory Board carry out their activity based on management contracts (signed on behalf of the Company by the President of the Executive Board), the Organization and Operation Regulation of the Supervisory Board and the Company's Articles of Incorporation.

In accordance with the Articles of Incorporation, the Supervisory Board is composed of five members, individual persons.

At 31.12.2023, the Supervisory Board of Transilvania Investments Alliance S.A. was composed by Mr Patrițiu Abrudan-Chairman, Mr Marius-Petre Nicoară – Deputy Chairman and Mr Constantin Frățilă - member.

The Supervisory Board members have been elected by the Ordinary General Meeting of Shareholders of 04.12.2020, for a 4-year mandate, starting with the date of authorization by the F.S.A. of the Board composition. The Supervisory Board members have been authorized by the F.S.A. through Authorizations no. 69/19.04.2021 and no. 80/27.04.2021.

According to the provisions of the Company Law, all the members of the Supervisory Board are non-executive members, given that none of them hold an executive position within Transilvania Investments Alliance, the company being managed under a two-tier system.

Executive Board

The Executive Board of Transilvania Investments Alliance S.A. provides the actual management of the Company.

In accordance with the Articles of Incorporation, the Executive Board is appointed by the Supervisory Board and is composed of three members, an executive president and two executive vice-presidents.

The mandate of the Executive Board members is granted for a 4-year period that can be extended for additional 4-year periods.

The members of the Executive Board carry out their activity based on the mandate contract (signed on behalf of the Company by the president of the Supervisory Board), the Organisation and Operation Regulation of the Executive Board and the Company's Articles of Incorporation.

At 31.12.2021 the Company's Executive Board was composed by Mr Radu-Claudiu Roșca - Executive President and Mrs Stela Corpacian-Executive Vice-President.

The current mandate of the Executive Board members expires on 20.04.2024.

2. Remuneration of the Company's management

The remuneration of the Supervisory Board members and Executive Board members is carried out in accordance with the company's Articles of Incorporation, the Remuneration policy, approved by the Ordinary General Meeting of Shareholders of 28.04.2021 and revised by the Ordinary General Meeting of Shareholders of 28.04.2022, and the share buy-back programmes for the implementation of the annual Stock Option Plans (SOP), approved by the general meeting of shareholders.

The remuneration policy was drafted in compliance with the provisions of Law no. 74/2015 *on alternative investment fund managers*, the ESMA Guide 232/2013 and Law no. 24/2017 *on issuers of financial instruments and market operations*. The remuneration policy is available on the Company's website, along with the result of the shareholders' vote.

The variable component of the remuneration is determined by reference to the financial and non-financial performance indicators. The remuneration and benefits granted to the members of the Supervisory Board and the Executive Board, according to the provisions of the management/mandate contract, will be presented in the audited annual financial statements, in the Annual Report of the Remuneration Committee and in the Report of the Supervisory Board/Executive Board.

According to the Remuneration policy, the total annual remuneration consists in a fixed component and a variable component. There is an adequate balance between the fixed and variable component of the total remuneration. The fixed component accounts for a sufficiently high percentage out of the total remuneration, which provides the Company with full flexibility as concerns the policy of granting the variable component. The variable remuneration represents an occasional component of the total annual remuneration that can exclusively reward the performance of the company's staff.

2.1. Fixed remuneration

It is the fixed component of the remuneration, not conditioned by the fulfilment of certain performance criteria, whose main element consists of the salaries or indemnities granted in accordance with the management/mandate contract.

The Company intends to provide a competitive basic remuneration, aligned to the market practices, considering the focus on the variable component of the remuneration.

The level of the fixed (basic) remuneration is determined by considering the relevant professional experience and the responsibilities within the company (level of undertaken risk and decision, liability, authority and control) for each position within the organisational structure of the Company.

For each position within the company's organisational structure, roles and responsibilities are clearly defined together with a set of skills and competencies necessary to hold the concerned position.

The level of fixed remuneration of the Supervisory Board members and the Executive Board members for the year 2023 was the following:

- The monthly remuneration of the Supervisory Board members was approved by the Ordinary General Meeting of Shareholders dated 28.04.2022 as follows: 3.5 company-average gross salaries for each member of the Board, 4 company-average gross salaries for the deputy chairman and 5 company-average gross salaries for the chairman.
- The limits of the monthly remuneration of the Executive Board members, according to the remuneration policy, are as follows: between 7 and 9 company-average gross salaries for the president, between 4 and 6 company-average gross salaries for the executive vice-presidents. The actual level of remuneration is established by the mandate contracts.

2.2. Variable remuneration

Variable remuneration is an additional payment or indemnity paid by the Company by considering performance criteria, being intended to recognize the performance of the identified staff within a certain period, and it is a differential element of the remuneration package.

The variable remuneration is granted by complying with the following general limitation: the total variable remuneration shall not exceed 1.2% of the average total asset value afferent to the year for which the variable remuneration is established, value calculated and reported in accordance with the legal provisions in force.

The members of the Supervisory Board and the Executive Board have the right to receive variable remuneration in the form of shares issued by the Company, within Stock Option Plan (S.O.P.) programs approved by the shareholders on annual basis, by complying with the legal provisions in force on variable remuneration applicable to A.I.F.M.

The eligibility conditions for the annual payment of the variable remuneration consider:

- Individual performance, regarding both annual objectives (KPI) and Company performance
- Operational (non-financial) performance
- General achievements in the field of social responsibility.

The measurement of the risk-aligned performance is carried out in an adequate framework to guarantee that the assessment process is based on performance and that the actual payment of the variable remuneration components which depend on performance is carried out for a period which considers the Company's policies and their attached risks.

3. Contribution to the long-term performance of the Company

The performance is assessed within a multi-annual framework to ensure that the assessment process is based on long-term performance results. The outcomes of the assessment process are the basis of the motivational policies, which include granting a variable remuneration. The remuneration granted according to the Remuneration Policy actively contributes to the long-term performance of the company, falling within the multi-annual performance indicator provided in Chap. IV of the Fund Strategy and the Investment Policy Statement.

Regarding the multi-annual framework, the Company's Investment Policy Statement establishes an investment horizon between 2020 – 2024. Thus, during the mentioned investment horizon, Transilvania Investments aims to align its activity with the following performance indicator (K.P.I.): *Increase in the Net Asset Value by at least 30%, increase calculated before any distribution of dividends and/or other forms of shareholder remuneration*¹.

The total variable remuneration is calculated so that it is in direct connection to both the individual performance level that is reached and:

- The performance of the operational department which the staff member is part of (as the case may be);
- The global performance of the Company, also existing the possibility of non-payment of the variable component, in case of an unsatisfactory performance.

The total remuneration granted complies with the provisions of the Remuneration Policy, respectively the variable remuneration related to the year 2022 is granted in the form of shares issued by the Company and will be paid as follows:

- 60% of the variable remuneration is the initial component and the 40% of the variable remuneration is subject to the deferral period;
- The deferral period is of three years;
- The 40% component, subject to the deferral period, is proportionally granted at the end of each of the three years $n+1$, $n+2$ and $n+3$, where "n" is the year for which the performance is assessed in order to establish the variable remuneration, according to Annex no. 1, as follows:
 - 13.4% of the deferred variable share shall be paid in $n+1$;
 - 13.4% of the deferred variable share shall be paid in $n+2$;
 - 13.3% of the deferred variable share shall be paid in $n+3$;
 - "n" is the accrual period (the year for which the variable remuneration is granted).

4. Performance criteria

In the process of assessing the individual performance, both *quantitative (financial) criteria* and *qualitative (non-financial) criteria* are considered.

QUANTITATIVE CRITERIA - are financial indicators used to establish the variable remuneration of an identified staff member. Quantitative criteria cover a period which is long enough to properly reflect the risk of the staff member's actions.

QUALITATIVE CRITERIA - cover a period which is long enough to properly reflect the risk of the staff member's actions, and they differ from the quantitative criteria. The qualitative criteria for each category of identified staff are described in the remuneration policy.

¹ The reference level is represented by the net asset value afferent to the financial statements as at 30.06.2020 and covers the period until 30.06.2024.

Qualitative criteria for the Supervisory Board members are represented by the fulfilment of the following goals:

- a) Carrying out of the strategic management of the Company;
- b) Implementation of an efficient corporate governance system and enforcement of the corporate governance principles;
- c) Achievement degree of the general assessment goals at the level of the Company;
- d) Fulfilment of the goals represented by the implementation of the risk management policies and strategies and classification of the Company within the risk profile and limits;
- e) Compliance with ethical and professional standards in order to ensure a professional and responsible behaviour so that to prevent the occurrence of conflicts of interests and to manage such conflicts;
- f) Fulfilment of the goals represented by the supervision and control of the compliance with the legal provisions and internal procedures of the company for the purpose of preventing the occurrence of legal and internal non-compliance situations.
- g) Improvement of the governance score independently established for the entity by Romanian Investor Relations Association (ARIR).

Qualitative criteria for the Executive Board members are represented by the fulfilment of the following goals:

- a) Implementation of the investment strategy and policies of the Company;
- b) Implementation of the systems for the management and proper performance of activities of the Company;
- c) Implementation of an efficient corporate governance system and enforcement of the corporate governance principles;
- d) Fulfilment of the goals represented by the implementation of the risk management policies and strategies and classification of the Company within the risk profile and limits;
- e) Compliance with ethical and professional standards in order to ensure a professional and responsible behaviour so that to prevent the occurrence of conflicts of interests and to manage such conflicts;
- f) Fulfilment of the goals represented by the supervision and control of the compliance with the legal provisions and internal procedures of the company for the purpose of preventing the occurrence of legal and internal non-compliance situations.

The variable remuneration of the staff members holding control functions depends on the achievement of the goals related to their positions, without any direct correlation with the performance of the departments which they monitor and control.

The qualitative criteria for the Compliance officer are represented by the achievement of the goals represented by the supervision and control of the compliance by Transilvania Investment Alliance and its staff with the legal provisions in force and the internal procedures of the Company for the purpose of preventing the occurrence of legal and internal non-compliance situations.

The qualitative criteria for the Risk manager are represented by the achievement of the specific goals, namely the implementation of the risk management policies and strategies and the efficient risk management procedures, models, processes and measures in order to identify, measure, manage and permanently monitor all the relevant risks which Transilvania Investments Alliance is or can be exposed to.

The qualitative and quantitative criteria underlying the setting of the variable component for the identified personnel (staff in charge of the enforcement of the policies and procedures regarding the asset valuation, staff appointed to prevent and fight money laundry and terrorism financing and staff undertaking responsibilities with significant impact on the Company's risk profile, namely staff from business development, analysis, trading, portfolio management, financial, information technology, administrative, president office, corporate governance and legal departments) are established through the internal procedures of the Company.

Through the *Incentive and Reward Plan of the identified personnel by granting free shares ("Stock Option Plan") for the year 2022*, the Company sought the stimulation, retention and rewarding of the Company's identified key personnel.

Rewarding by shares is a good international practice and an effective tool for making the staff responsible and co-interested in the achievement of long-term business objectives and it is intended to reward the beneficiaries' contribution to the development of the Company in the financial year 2022 and to stimulate their retention in the Company, so that they continue to contribute to the Company's development and the achievement of its business objectives, generating added value.

The Plan represents the implementation of the Company's Remuneration Policy and the Resolution of the Extraordinary General Meeting of Shareholders of 28.04.2022, by which the shareholders approved the running of a buy-back programme of the Company's own shares, in order to be distributed free of charge to the Supervisory Board members, the Executive Board members and the identified personnel, within a Stock Option Plan program, in accordance with the Company's remuneration policy.

In accordance with the *Incentive and Reward Plan of the identified personnel by granting free shares ("Stock Option Plan") for the year 2022*, vesting is conditional on the cumulative fulfilment of certain criteria. Following the assessment of the fulfilment of the performance indicators for the year 2022 by the identified personnel, the shares granted as part of the Plan for the year 2022 were allotted free of charge. In this respect, the Company published on 20.06.2023 the *Information document regarding the free allotment of shares to the identified personnel of Transilvania Investments Alliance S.A.*, based on which the initial component of 60% of the variable remuneration was transferred to the beneficiaries. The 40% difference was transferred to a fiduciary-lawyer and will be released in the period 2024-2026.

During 2023, the Company also paid the 16.7% cash deferred share of the variable remuneration related to the year 2021 and allotted free shares, granted under the Stock Option Plan for the year 2021, namely the 16.7% deferred share.

5. Remuneration of the Supervisory Board members

The remuneration structure of the Supervisory Board members for 2023 was the following:

Name	Total gross remuneration (RON)	Gross fixed remuneration (RON)	Variable remuneration in cash (RON)	Weight of fixed remuneration (%)	Weight of variable remuneration in cash (%)	Number of shares granted in 2023	Remuneration received from subsidiaries
ABRUDAN PATRIȚIU	1,106,254	1,082,716	23,538	97.87%	2.13%	1,338,460	28,206
NICOARA MARIUS PETRE	916,304	892,766	23,538	97.43%	2.57%	1,338,460	-
FRĂȚILĂ CONSTANTIN	831,430	797,796	33,634	95.95%	4.05%	1,397,846	-
PRODAN PAUL GEORGE	1,116,514	1,081,750	34,764	96.89%	3.11%	1,404,494	-
MOMANU RADU	1,072,911	1,043,760	29,151	97.28%	2.72%	1,371,479	-

6. Remuneration of the Executive Board members

The remuneration structure of the Executive Board members for 2023 was the following:

Name	Total gross remuneration (RON)	Gross fixed remuneration (RON)	Variable remuneration in cash (RON)	Weight of fixed remuneration (%)	Weight of variable remuneration in cash (%)	Number of shares granted in 2023	Remuneration received from subsidiaries
ROȘCA RADU-CLAUDIU	1,438,141	1,367,640	70,501	95.10%	4.90%	1,614,715	139,137

CORPACIAN STELA	911,760	911,760	-	100%	-	540,000	-
BUFTEA THEO-DORIAN	995,758	987,740	8,018	99.19%	0.81%	947,166	-

Other costs incurred by the Company in 2023 in relation to the members of the Supervisory Board and Executive Board are professional insurance costs, worth RON 106,591.

7. Company performance and changes in remuneration over the last 5 years

	FY 2023 compared to FY 2022	FY 2022 compared to FY 2021	FY 2021 compared to FY 2020	FY 2020 compared to FY 2019	FY 2019 compared to FY 2018
Company performance					
Annual net profit (RON)	237,041,707	63,721,738	96,611,495	34,541,912	181,797,277
Variation (%)	+271.99%	-65.96%	+179.69	-80.99%	+173.20%
NAV per share (RON)	0.8019	0.6310	0.6413	0.5412	0.5818
Variation (%)	+27.08%	-1.61%	+18.49%	-6.97%	+28.92%
Net gain from transactions reflected in retained earnings (RON)	10,685,719	32,452,453	76,741,170	11,783,629	1,088,240
Variation (%)	-67%	-42%	551%	983%	-88%

Changes in the remuneration of the Supervisory Board members and Executive Board members					
Supervisory Board					
ABRUDAN PATRIȚIU	+72.19%	+123.01%	N/A	N/A	N/A
NICOARA MARIUS PETRE	+41.98%	+123.01%	N/A	N/A	N/A
FRĂȚILĂ CONSTANTIN	+26.88%	+56.08%	+28.35%	+11.82%	+31.94%
PRODAN PAUL GEORGE	+19.00%	+118.30%	N/A	N/A	N/A
MOMANU RADU	+42.06%	+110.41%	N/A	N/A	N/A
Executive Board					
ROȘCA RADU-CLAUDIU	+11.17%	+45.7%	+28.35%	N/A	N/A
CORPACIAN STELA	+264.71%	N/A	N/A	N/A	N/A
BUFTEA THEO-DORIAN	+20.43%	754.11%	N/A	N/A	N/A
Full-time employee average remuneration					
Employees (labour contracts) – average remuneration	200,559	182,355	132,650	122,258	181,080
Variation (%)	9.98%	37.47%	+8.50%	-32.48%	+57.97%
Employee average number	37	39	36	40	43

The changes in the remuneration of the Supervisory Board members and Executive Board members have been influenced by the changes in the company's average salary, based on which the remuneration is established, and the periods in which the members exercised their mandates.

N/A is mentioned for the cases in which the concerned person was not a member of the Supervisory Board or of the Executive Board in the respective year, or for the cases in which the concerned person was elected in the respective year, the comparison with the previous year not being applicable.

The annual gross remuneration granted during the last 5 years is presented below:

Supervisory Board

Total remuneration	2023	2022	2021	2020	2019
Total amount granted (RON)	5,043,413	3,963,195	2,224,542	3,068,210	5,274,646
Variation	+27.26%	+78.15%	-27.50%	-41.83%	+79.75%

Executive Board

Total remuneration	2023	2022	2021	2020	2019
Total amount granted (RON)	3,345,659	2,535,528	4,430,197	2,382,981	5,287,147
Variation	+31.95%	-42.77%	+85.90%	-54.93%	+94.24%

8. Information regarding the enforcement of clawback, deviations and derogations

In 2023, there were no situations regarding the use of the possibility to recover the variable remuneration, there were no deviations or derogations from the Remuneration Policy.

Executive President
Radu - Claudiu ROȘCA

Executive Vice-President
Mihai Buliga

Executive Vice-President
Stela CORPACIAN