

temenos

Leading Banking Forward

ANNEX

Information on Compensation agenda items (1.3, 4.1 and 4.2)

LETTER OF THE CHAIR OF THE NOMINATION, COMPENSATION & SUSTAINABILITY COMMITTEE

Dear Shareholders,

On behalf of the Nomination, Compensation & Sustainability Committee (NCSC), I am pleased to present the compensation proposals that will be submitted for your approval at this Annual General Meeting.

In addition to the binding votes on the compensation of the Board of Directors and the Executive Committee, shareholders will be invited to express their views through a consultative vote on the 2025 Compensation Report. The NCSC remains committed to maintaining a transparent and performance-driven compensation framework that aligns executive remuneration with the Company's strategy and the interests of its shareholders.

Compensation framework and recent developments

Temenos' compensation framework is designed to support sustainable performance while ensuring that executive incentives remain closely aligned with long-term value creation.

In 2025, the NCSC further strengthened the Long-Term Incentive (LTI) framework through a number of enhancements aimed at reinforcing Temenos' pay-for-performance philosophy and ensuring alignment with sustained business performance. These enhancements included:

- the transition to a fully cumulative three-year performance model, ensuring that vesting outcomes reflect sustained performance across the full performance period;
- the introduction of a simplified equity structure combining Performance Share Units (PSUs) and Restricted Share Units (RSUs), with a majority of awards delivered in performance-based instruments; and
- an updated vesting curve designed to improve proportionality between performance achievement and payout outcomes.

Together, these enhancements strengthen the link between executive remuneration, long-term Company performance and shareholder value creation.

For 2027, the compensation of the Board of Directors continues to consist solely of fixed remuneration, reflecting the Board's non-executive responsibilities.

Shareholder engagement

The NCSC places strong importance on maintaining an open dialogue with shareholders and proxy advisors on governance and compensation matters.

During the past year, Temenos continued to engage with investors to discuss the evolution of the Company's compensation framework, including the structure of the LTI plan, the selection of performance metrics and the balance between performance-based and retention-oriented elements of executive compensation.

The feedback received through these discussions has been carefully considered and has shaped the continued evolution of the Company's compensation policies and disclosures.

Proposals submitted to shareholders

At the 2026 Annual General Meeting, shareholders are invited to vote on the following compensation-related agenda items:

- consultative vote on the 2025 Compensation Report;
- approval of compensation for the Board of Directors for the financial year 2027 in the amount of USD 2.6 million for up to seven members including the Chair; and
- approval of compensation for the Executive Committee for the financial year 2027 in the amount of USD 32 million for up to six members.

These proposals reflect the Company's commitment to maintaining a disciplined and competitive compensation framework that supports Temenos' strategic ambitions while remaining aligned with shareholder interests.

On behalf of the NCSC, I would like to thank you for your continued trust and support.

Cecilia Hultén

Chair of the Nomination, Compensation & Sustainability Committee

ANNEX – INFORMATION ON COMPENSATION AGENDA ITEMS (1.3, 4.1 AND 4.2)

1 INTRODUCTION

This annex provides further details on the compensation-related agenda items 1.3, 4.1 and 4.2 to be presented at the 2026 AGM.

The 2025 Compensation Report is available in the 2025 Annual Report which can be accessed online at: <https://www.temenos.com/about-us/investor-relations/financial-reports/>.

For reference:

- the compensation policy and guiding principles are detailed in Section A of the Compensation Report; and
- the compensation components and their structure are explained in Section B of the Compensation Report.

This document aims to ensure transparency and provide shareholders with a clear understanding of the proposed compensation items.

2 BACKGROUND TO COMPENSATION REQUESTS

2.1 Voting methodology selected

In accordance with Articles 732 et seqq. of the Swiss Code of Obligations governing executive remuneration in publicly listed companies, and in alignment with Temenos' Articles of Association, the Board of Directors conducts separate votes on the compensation packages for:

- the Board of Directors; and
- the Executive Committee.

Temenos applies a prospective voting approach for compensation approvals. This methodology supports our ability to attract, motivate and retain global talent by ensuring compensation is approved in advance. Prospective voting also enables the Board of Directors to incorporate shareholder feedback before compensation is finalized and implemented.

The proposed compensation amounts for both the Board of Directors and the Executive Committee cover the entirety of the financial year 2027.

2.2 Foreign exchange impacting the compensation calculations

A significant portion of on-target compensation relates to the Long-Term Incentive (LTI) grant. The accounting value of Performance Share Units (PSUs) and Restricted Share Units (RSUs) is denominated in US dollars (USD).

Some Executives receive fixed and short-term variable compensation in currencies other than USD. The exchange rates applied for the 2027 compensation framework are the closing rates as of 31 December 2025:

- USD/CHF: 0.78982
- USD/GBP: 0.74111
- USD/AED: 3.6720

The amounts proposed for approval are based on these exchange rates. Consequently, the actual USD cost may vary depending on exchange rate fluctuations throughout the year.

3 CONSULTATIVE VOTE ON THE 2025 COMPENSATION REPORT

VOTE 1.3: *The Board of Directors proposes that the 2025 Compensation Report be approved (available in the Annual Report).*

EXPLANATION

The 2025 Compensation Report provides an overview of Temenos' compensation system and the remuneration paid to the Board of Directors and the Executive Committee for the financial year 2025.

In accordance with the Swiss Code of Obligations, the Board of Directors submits the Compensation Report to shareholders for a separate consultative vote, in addition to the binding votes on the compensation requests under agenda items 4.1 and 4.2.

The purpose of this report is to provide shareholders with transparency on the compensation structure, policies and practices governing Board and Executive Committee remuneration. It also details any changes implemented during the financial year, as well as the actual compensation paid in 2025, as approved by shareholders at the 2024 Annual General Meeting.

Our reporting of executive remuneration continues to offer a high level of transparency, including:

- full disclosure of Short-Term Incentive (STI) targets and achievements for 2025;
- details of the 2023 LTI plan vesting in February 2026, including performance outcomes; and
- Compound Annual Growth Rate (CAGR) targets for the 2026 LTI plan, granted in February 2026.

Further details on the evolution of our Long-Term Incentive structure are outlined in the following sections of this annex.

4 COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2027

VOTE 4.1: The Board of Directors proposes to approve a maximum aggregate amount of USD 2.6 million (corresponding to approximately CHF 2 million) as fixed compensation of the members of the Board of Directors for the financial year 2027.

EXPLANATION

The Board of Directors' proposal for 2027 compensation comprises the following persons:

the Non-Executive Chair, subject to re-election:

- Mr. Thibault de Tersant; and

the Non-Executive Directors, subject to re-election:

- Ms. Cecilia Hultén;
- Mr. Maurizio Carli;
- Mr. Xavier Cauchois;
- Ms. Laurie Readhead;
- Ms. Felicia Alvaro; and
- Dr. Michael Gorriz.

The annual Board retainer fee remains unchanged. However, two adjustments will be implemented to further align the Board's compensation structure with evolving governance practices and the workload associated with Board committee responsibilities:

- **Introduction of Committee Member Fee:** A committee member fee of USD 30,000 per committee will be introduced for Board members serving on Board committees. Committee work typically requires substantial additional preparation time, participation in dedicated meetings, and ongoing engagement on specialized topics between scheduled Board meetings. The introduction of a committee member fee recognizes these additional responsibilities and aligns Temenos' governance framework more closely with prevailing market standards. Committee Chairs will not receive this fee as they already receive a dedicated Chair fee reflecting their additional responsibilities.
- **Adjustment to the Audit Committee Chair Fee:** The Audit Committee Chair fee will be increased to reflect the significant responsibilities associated with this role. The Audit Committee Chair is responsible for overseeing the integrity of the Group's financial reporting, the effectiveness of internal controls and risk management processes, as well as the relationship with external auditors. The role requires a high level of engagement throughout the year, including frequent interactions with management, internal audit and external auditors. The revised fee reflects the scope, complexity and ongoing oversight responsibilities associated with this position.

In addition, the proposed maximum aggregate compensation includes a contingency buffer of USD 234,000. This buffer is intended to provide flexibility to accommodate potential changes during the year, such as adjustments in Board or committee composition, the appointment of additional committee members, or other governance-related developments that may impact the allocation of Board responsibilities. The buffer ensures that the Company retains sufficient flexibility to manage Board governance effectively without requiring an additional shareholder approval.

These adjustments are intended to ensure that the Board compensation framework appropriately reflects the time commitment and responsibilities associated with committee service while remaining aligned with governance best practices.

All other fees remain unchanged. A summary of Board fees is provided below:

Fee type	2026 USD 000	2027 USD 000
Non-Executive Chair fee	800	800
Board member fee	170	170
Committee member fee	—	30
Additional fee for Directors traveling long-haul	20	20
Fee for Chair of Audit Committee	55	75
Fee for Chair of Nomination, Compensation & Sustainability Committee	55	55
Fee for Chair of Technology, Innovation & Cybersecurity Committee	55	55

As the Board of Directors is composed solely of non-executive members, the proposed compensation for 2027 consists entirely of fixed compensation, with no variable components.

The request is structured as follows, with all figures presented in USD thousands:

USD 000	No. of members	Fee	Committee Chair fee	Committee member fee	Fee for long-haul travel	Social charges	Rounding	Total
2026 approved	7	1,820	165	—	40	145	30	2,200
2027 request	7	1,820	185	210	40	110	234	2,600

ANNEX – INFORMATION ON COMPENSATION AGENDA ITEMS (1.3, 4.1 AND 4.2) continued**5 COMPENSATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE FOR THE YEAR 2027**

VOTE 4.2: The Board of Directors proposes to approve a maximum aggregate amount of USD 32 million (corresponding to approximately CHF 25 million) as fixed and variable compensation of the members of the Executive Committee for the financial year 2027.

EXPLANATION

The Executive Committee proposal for 2027 comprises the following active members:

- Panagiotis “Takis” Spiliopoulos, Chief Executive Officer (CEO);
- Chief Financial Officer (CFO) – to be appointed;
- Barb Morgan, Chief Product and Technology Officer (CPTO);
- William Moroney, Chief Revenue Officer (CRO);
- Jayde Tipper, Chief People Officer (CPO); and
- Deirdre Dempsey, Chief Legal Officer (CLO).

The following table outlines the proposed maximum total compensation for members of the Executive Committee for 2027, amounting to USD 32 million. This allocation is structured across various compensation components and reflects the highest potential payout under the Short-Term Incentive (STI) scheme, which can reach up to 150% of target.

The breakdown of compensation by category is shown below (figures in USD thousands):

USD 000	No. of members ¹	Salary	Maximum STI ²	Other ³	LTI ⁴	Social charges	Total	Approval/request	Average per member ⁵
2026 approved	8.0	4,918	8,116	0.465	21,450	1,908	36,859	37,000	4,607
2027 request	6.0	4,247	6,370	0.383	17,700	1,820	30,520	32,000	5,087

(1) The 2027 request accounts for a new addition to the Executive Committee (CFO).

(2) The variable Short-Term Incentive for the Executive Committee members is explained further in section 6.1.

(3) Other includes life, medical, disability, accident insurance, pension, housing and car allowance.

(4) The LTI plan for the Executive Committee members is explained further in section 6.2.

(5) The increase in the average compensation per member reflects the reduction in the number of Executive Committee members included in the request compared to the prior year, resulting in a mechanical increase in the average figure rather than a material change in individual compensation levels.

To ensure flexibility in the event of changes in Executive Committee composition, the approved amount may include an additional allowance of up to 40% as permitted under the Company’s Articles of Association.

6 KEY PERFORMANCE INDICATORS (KPIs) FOR VARIABLE PLANS

Outlined below are some highlights of the STI and LTI plans.

6.1 STI plan

For 2027, the Short-Term Incentive (STI) plan for the Executive Committee will continue to be based on four key performance areas, ensuring strong alignment with Temenos’ strategic priorities and shareholder interests:

- 40% – Annual Recurring Revenue (ARR)
- 20% – Operating Profit
- 20% – Operating Cash Flow
- 20% – Individual Operational Objectives, tied to measurable Objective Key Results (OKRs) set for each Executive Committee member

The payout structure of the STI plan remains unchanged, with payouts determined based on the level of achievement against the defined performance targets and capped at 150%.

Performance achievement (% of target)	STI payout (% of target)	STI adjustment per additional 1% of performance achievement
Below 80%	0% (no payout)	NA
80%	80%	Linear progression to 100%
100% (Target Met)	100%	+2% per 1% above target
125% (Maximum Cap)	150%	Payout capped at 150%

6.2 LTI plan

For 2027, the Long-Term Incentive plan for the Executive Committee will evolve to further strengthen the alignment between executive compensation and long-term shareholder value creation.

As previously communicated, starting with the 2025 LTI grant, the financial performance conditions of the plan transitioned from annual measurement to cumulative performance assessed over the full three-year performance period. This approach better reflects the long-term nature of Temenos' strategy and reduces potential volatility associated with single-year outcomes.

Building on this evolution, the 2027 LTI plan introduces a relative Total Shareholder Return (TSR) metric, complementing the existing financial performance measures. The inclusion of TSR strengthens the link between executive incentives and shareholder returns by assessing Temenos' share price performance relative to the STOXX Europe 600 Technology Index.

LTI Performance Metrics

The LTI plan continues to be based on a balanced set of performance measures combining financial performance and shareholder value creation over a three-year performance period.

The performance metrics include:

- Annual Recurring Revenue (ARR)
- Earnings per Share (EPS)
- Free Cash Flow (FCF)
- Relative Total Shareholder Return (TSR) versus the STOXX Europe 600 Technology Index

To accommodate the introduction of the TSR metric while maintaining a balanced performance framework, the weighting of ARR has been adjusted to 40%, while the other financial metrics continue to reflect Temenos' key strategic priorities of sustainable growth, profitability and strong cash generation.

Relative TSR Metric

The relative TSR component compares Temenos' Total Shareholder Return (TSR), including share price appreciation and dividends, to the TSR of the STOXX Europe 600 Technology Index over the same three-year performance period.

This approach links vesting outcomes to the level of outperformance or underperformance of Temenos' shareholder return relative to the STOXX Europe 600 Technology Index, ensuring that executive incentives remain aligned with shareholder value creation.

The combination of cumulative financial performance metrics and relative TSR further strengthens the long-term orientation of the LTI plan. This framework ensures that LTI outcomes reflect both the successful execution of Temenos' strategy and the creation of sustainable shareholder value over time.

6.2.1 LTI KPIs and weightings for 2027–2029

To maintain a strong pay-for-performance culture, the KPIs for the 2027–2029 LTI plan are structured as follows:

KPIs for LTI 2027–2029	Weighting
Total ARR	40%
Non-IFRS EPS	20%
Free Cash Flow	20%
Relative Total Shareholder Return (TSR) vs STOXX Europe 600 Technology Index	20%

These KPIs are directly linked to Temenos' long-term growth and profitability objectives, ensuring that executive rewards remain fully aligned with shareholder interests.

ANNEX – INFORMATION ON COMPENSATION AGENDA ITEMS (1.3, 4.1 AND 4.2) continued**6 KEY PERFORMANCE INDICATORS (KPIs) FOR VARIABLE PLANS** continued**6.2 LTI plan** continued**6.2.2 LTI vesting curve**

The vesting curve applicable to the financial performance metrics (ARR, EPS and Free Cash Flow) remains unchanged. Vesting outcomes are determined based on cumulative performance over the three-year performance period as follows:

Cumulative achievement as % of three-year target	Vesting outcome (% of target PSUs)
Below 80%	0% (no vesting)
80%	80%
100% (Target Met)	100%
110%	120%
120%	140%
137.5%	175% (maximum cap)

Between these points, vesting outcomes are determined on a linear basis.

Relative TSR vesting curve

The relative TSR component compares Temenos' TSR performance to the TSR of the STOXX Europe 600 Technology Index over the three-year performance period.

Vesting outcomes are determined based on the level of outperformance or underperformance relative to the index, as follows:

Temenos TSR vs STOXX Europe 600 Technology TSR	Vesting outcome
Below 80% of index performance	0% (no vesting)
80% of index performance	80%
100% of index performance	100%
+10% vs index	120%
+20% vs index	140%
+37.5% vs index	175% (maximum cap)

Between these points, vesting outcomes are determined on a linear basis.

The relative TSR vesting scale follows the same payout progression and maximum payout cap of 175% applied to the financial performance metrics.

For the purpose of this comparison, Temenos' TSR and the reference index will be measured in a consistent currency to ensure comparability and avoid distortions arising from foreign exchange fluctuations.

7 SHARE OWNERSHIP RULES

The members of both the Board of Directors and the Executive Committee are bound by share ownership regulations. Comprehensive information regarding these regulations can be found in the 2025 Annual Report.

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