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Annex 1 to the Invitation to the 24th Annual General Meeting of Shareholders of TEMENOS AG (the "Company")

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

LETTER OF THE CHAIR OF THE COMPENSATION COMMITTEE

Dear Shareholders,

We request your support for the compensation proposals at the 2025 AGM. This year, we continue to reinforce our commitment to transparency and engagement by presenting the advisory vote on the 2024 Compensation Report.

Compensation philosophy

Temenos' approach to executive compensation is designed to foster both strong performance and long-term stability, ensuring alignment between leadership incentives and sustainable value creation for shareholders.

Our framework is guided by two key principles:

- maintaining a high-performance culture through a balanced compensation structure where the majority of total remuneration remains linked to performance objectives, while also ensuring alignment with long-term strategic priorities; and
- supporting long-term value creation by setting ambitious yet achievable performance targets and incorporating retention elements to ensure leadership continuity and sustained execution of our strategy.

Executive compensation consists of three primary components:

i. fixed compensation and benefits, providing a stable foundation that reflects executives' skills and responsibilities;

ii. variable cash compensation, directly tied to short-term performance objectives aligned with annual Company goals; and

iii. long-term equity-based compensation, with a revised structure that strengthens performance-driven incentives while also ensuring leadership retention and long-term strategic execution.

For the year 2026, compensation for the Board of Directors will remain solely based on fixed remuneration.

Shareholder engagement

We recognize that continuous dialogue with our shareholders is essential to maintaining trust and ensuring alignment on key governance and compensation matters. Over the past year, Temenos has engaged in an ongoing and open discussion with investors to gather feedback and refine our approach.

In early 2025, the Company invited its major shareholders, representing approximately 60% of outstanding shares, to engage in discussions with the Chair of the Compensation Committee. These sessions were followed by active and ongoing dialogue with both shareholders and proxy advisors.

Key topics included:

- the evolution of Temenos' long-term incentive structure, ensuring continued alignment with performance and retention objectives;
- the performance metrics and goal-setting process for both STI and LTI plans, emphasizing transparency and accountability;
- the competitive positioning of our compensation structure, particularly in key global markets; and
- the proposed adjustments to Board remuneration, ensuring fair and market-aligned governance practices.

Proposals

The compensation agenda items for which we request your approval are as follows:

- consultative vote on 2024 Compensation Report;
- compensation for the Board of Directors for 2026: USD 2.2 million for seven members including the Chair (2025: USD 2.4 million for up to eight members including Chair); and
- compensation for the Executive Committee for 2026: USD 37 million for up to eight members (2025: USD 34 million for seven members). The 2026 request is based on the current leadership structure and potential future adjustments as needed to support the Company's strategic priorities.

We value your continued trust and engagement and look forward to your support at this AGM.

Dr. Peter Spenser
Chair of the Compensation Committee

ANNEX 1 – 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 2025 AGM.

The 2024 Compensation Report is available in the 2024 Annual Report which can be accessed online at: https://www.temenos.com/en/about-temenos/investor-relations/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 calendar year 2026.

2.2 Foreign exchange impacting the compensation

A significant portion of on-target compensation relates to the Long-Term Incentive (LTI) grant. The accounting value of Performance Stock Units (PSUs) and Restricted Stock 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 2026 compensation framework are the closing rates as of 31 December 2024:

- USD/CHF: 0.90311
- USD/GBP: 0.79572
- USD/AED: 3.6725

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 2024 COMPENSATION REPORT

VOTE 1.3: *The Board of Directors proposes that the 2024 Compensation Report be approved (available in the Annual Report).*

EXPLANATION

The 2024 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 2024.

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 approvals of 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 2024, as approved by shareholders at the 2023 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 2024;
- details of the 2022 LTI plan vesting in February 2025, including performance outcomes; and
- Compound Annual Growth Rate (CAGR) targets for the 2025 LTI plan, granted in February 2025.

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

4 COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2026

VOTE 4.1: *The Board of Directors proposes to approve a maximum aggregate amount of USD 2.2 million (corresponding to approximately CHF 1.9 million) as fixed compensation of the members of the Board of Directors for the financial year 2026.*

EXPLANATION

The Board of Directors' proposal for 2026 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 (elected in 2024); and
- Dr. Michael Gorriz (elected in 2024);

as well as the proposed new Non-Executive Director, subject to election at the 2025 AGM:

- Ms. Felicia Alvaro

The annual Board retainer fee remains unchanged. However, three key adjustments will be made to reflect the evolving governance structure of the Board:

- **Creation of a new committee:** as of 1 January 2025, the *Technology, Innovation & Cybersecurity Committee* was established to oversee key areas critical to Temenos' long-term strategy. A Chair fee of USD 55,000 has been introduced for this committee, consistent with other committee Chair roles.
- **Upcoming committee merger:** upon election of the Compensation Committee members, the Compensation Committee and the Nomination & ESG Committee will merge to form the Nomination, Compensation & Sustainability Committee (NCSC). The NCSC will fully assume all existing duties and responsibilities of the Compensation Committee while also incorporating the additional duties and responsibilities assigned to the Nomination & ESG Committee. To align with the structure of the Audit Committee, a Chair fee of USD 55,000 will be introduced for the NCSC.
- **Adjustment to long-haul travel fees:** the fee for long-haul travel exceeding nine hours will be increased to recognize the additional time commitment required from Board members. Those undertaking such trips effectively dedicate two full days to travel, resulting in an overall commitment of two to three additional days per Board meeting compared to members with shorter travel distances.

These adjustments ensure that the total Board compensation remains unchanged from the prior year, even with the introduction of new Chair fees which reflect the above-mentioned governance enhancements.

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

Fee type	2025 USD 000	2026 USD 000	Change
Non-Executive Chair fee	800	800	No change
Board member fee	170	170	No change
Additional fee for Directors traveling long-haul	10	20	Change
Fee for Chair of Audit Committee	55	55	No change
Fee for Chair of Compensation Committee	45	–	Merged
Fee for Chair of Nomination & ESG Committee	35	–	Merged
Fee for Chair of Nomination, Compensation & Sustainability Committee	55	55	New
Fee for Chair of Technology, Innovation & Cybersecurity Committee	55	55	New

As the Board of Directors is composed solely of Non-Executive members, the proposed compensation for 2026 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	Additional fee for long-haul travel	Social charges	Rounding	Total
2025 approved	8.0	1,990	135	20	192	63	2,400
2026 request	7.0	1,820	165	40	145	30	2,200

ANNEX 1 – 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 2026

VOTE 4.2: *The Board of Directors proposes to approve a maximum aggregate amount of USD 37 million (corresponding to approximately CHF 33 million) as fixed and variable compensation of the members of the Executive Committee for the financial year 2026.*

EXPLANATION

The Executive Committee proposal for 2026 comprises the following active members:

- Jean-Pierre Brulard, Chief Executive Officer (CEO);
- Panagiotis "Takis" Spiliopoulos, Chief Financial Officer (CFO);
- Barb Morgan, Chief Product and Technology Officer (CPTO);
- William Moroney, Chief Revenue Officer (CRO);
- Jayde Tipper, Chief People Officer (CPO);
- Deirdre Dempsey, Chief Legal Officer (CLO); and
- Isabelle Guis, Chief Marketing Officer (CMO).

The following table outlines the proposed maximum total compensation for members of the Executive Committee for 2026, amounting to USD 37 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
2025 approved	7.5	4,454	7,350	2,186	18,245	1,746	33,981	34,000	4,531
2026 request	8.0	4,918	8,116	0.465	21,450	1,908	36,859	37,000	4,607

(1) The 2026 request accounts for a potential new addition to the Executive Committee, reflecting the Company's evolving leadership structure and strategic priorities.

(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.

The total compensation request reflects a 6% increase, aligning with industry standards and recognizing the Executive Committee's critical role in driving Temenos' sustained performance.

The request includes an adjustment in the number of Executive Committee members from seven to eight, ensuring the leadership team remains appropriately structured to support the Company's growth and execution of its strategic objectives.

To ensure flexibility in attracting and retaining top talent, a supplemental allowance of up to 40% is available. This will cover potential new roles or replacement awards for new members joining the Executive Committee.

6 KEY PERFORMANCE INDICATORS (KPIs) FOR VARIABLE PLANS

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

6.1 STI plan

For 2026, 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

Updated STI payout curve for 2026

Performance achievement (% of goal)	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 KEY PERFORMANCE INDICATORS (KPIs) FOR VARIABLE PLANS continued

6.1 STI plan continued

A more balanced, performance-driven approach

- The STI plan remains fully linked to measurable targets, reinforcing Temenos' pay-for-performance philosophy.
- The minimum payout threshold is adjusted from 90% to 80% to create a more structured, performance-aligned incentive model. This ensures that payouts remain proportionate to actual achievements, preventing abrupt payout cliffs while continuing to reward only strong execution.

Stronger business and shareholder alignment

- The revised payout curve removes steep cut-offs, ensuring that incentive payouts remain directly linked to business outcomes.
- The highest STI payout remains unchanged at 150%, reinforcing that maximum rewards are only achievable through exceptional performance.

Strengthening individual accountability

- 20% of the STI remains tied to Individual Operational Objectives (IOOs), ensuring each Executive's incentive is directly linked to their OKRs.
- These objectives are clearly measurable and aligned with strategic corporate priorities, ensuring strong accountability in executive compensation.

The updated STI structure strengthens alignment with Temenos' long-term growth objectives, providing a more balanced approach to incentive payouts while ensuring that compensation remains competitive, fair and directly tied to performance.

This adjustment enhances stability in the STI plan while maintaining a clear pay-for-performance model, ensuring that Executives are incentivized to deliver ambitious yet achievable results.

6.2 LTI plan

The 2026 LTI plan introduces enhancements that reinforce long-term accountability, ensure stronger alignment with performance and drive shareholder value creation. These changes improve the rigor of performance assessments and refine the incentive mix to maintain a clear pay-for-performance structure while supporting long-term retention.

6.2.1 Transition to a fully cumulative three-year plan

Under the previous LTI structure, a binary model was applied annually, meaning that each year's performance was assessed independently – Executives would either earn 0% or 100% of one-third of their total LTI grant based on that single year's performance.

At the same time, a cumulative three-year performance assessment was also in place, meaning that at the end of the three-year cycle, the final LTI payout was determined by the greater outcome of either:

1. annual performance assessments – where up to one-third of the LTI could be earned in any given year. This meant that an executive could receive part of their LTI even if performance targets were met in only one of the three years; or
2. cumulative three-year performance achievement – ensuring longer-term accountability, but still allowing for payouts based on single-year success.

The new model removes the annual funding mechanism, ensuring that payouts reflect sustained three-year execution rather than one-off annual results. This strengthens the link between long-term Company performance and executive rewards, ensuring that payouts are earned only through consistent achievement over the full period.

Enhances long-term accountability & strengthens pay-for-performance alignment

- Executives must now deliver strong results across all three years to earn their full LTI, ensuring their focus remains on sustained, long-term value creation.
- This eliminates potential short-term windfalls and ensures that Executives are rewarded only when they meet cumulative performance expectations.

Ensures a more rigorous performance evaluation

- The previous approach allowed for binary annual assessments (100% payout or 0%) that could lead to disproportionate outcomes based on individual years.
- Now, executives are assessed on a continuous, full-cycle basis, making LTI grants more reflective of real Company performance.

6.2.2 LTI KPIs and weightings for 2026–2028

To maintain a strong pay-for-performance culture, the KPIs for the 2026–2028 LTI plan are structured as follows:

KPIs for LTI 2026–2028	Weighting
Total ARR	60%
Non-IFRS EPS	20%
Free Cash Flow	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 1 – 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

6.2.3 New LTI vesting curve (aligned with STI structure)

To further enhance fairness, predictability and transparency, the LTI vesting curve has been updated to mirror the newly introduced STI payout structure.

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% (Maximum Cap)	175%

Enhances fairness and strengthens alignment with shareholder value

- The refined structure ensures that payouts increase in proportion to actual performance improvements, avoiding excessive jumps in rewards for marginal overperformance.
- This prevents potential misalignment between payout structures and Company value creation, reinforcing shareholder confidence in long-term incentives.

Provides stability and predictability in compensation outcomes

- The previous model could result in significant payout fluctuations based on small performance deviations, creating inconsistencies in compensation outcomes.
- By smoothing payout progression, the updated vesting curve improves predictability for both shareholders and Executives, ensuring a transparent, high-performance incentive framework.

Maintains high performance expectations while ensuring proportionality

- The maximum payout remains capped at 175%, reinforcing that only exceptional performance results in maximum rewards.
- This structured approach ensures long-term execution and strategic focus without excessive risk-taking.

6.2.4 Refinement of LTI instrument mix

To further strengthen alignment with performance and retention objectives, the LTI award for Executive Committee members will now consist of:

- 65% PSUs – fully performance based, ensuring strong alignment with long-term Company performance.
- 35% RSUs – time based for retention, now vesting in equal annual installments over three years, ensuring continuous executive alignment while reinforcing long-term retention incentives and leadership stability.

Increased PSU allocation reinforces pay-for-performance

- The shift from 35% PSUs and 35% SARs to 65% PSUs strengthens Temenos' commitment to performance-driven incentives by replacing SARs with a more transparent and predictable performance-based instrument.
- This refinement ensures a clear and simplified structure, fully aligned with market best practices and shareholder expectations. At the same time, retaining 35% RSUs preserves critical retention incentives, preventing talent disruption and ensuring leadership continuity over the full vesting period.

Aligned with competitive market practices in key talent regions

- The updated structure reflects global best practices and ensures that Temenos remains competitive in retaining and attracting top executive talent.
- This change also aligns with evolving market trends, particularly in strategically important markets like the US, where Temenos is strengthening leadership across sales, marketing, product, technology, services and partnerships.
- While enhancing retention incentives, the structure continues to uphold a strong pay-for-performance philosophy, ensuring alignment with shareholder expectations.

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 2024 Annual Report.

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