

ROCA Industry Holdingrock1 S.A.

Remuneration Policy

1. Generalities

- 1.1. This remuneration policy ("**Remuneration Policy**") shall apply to the executive and non-executive members of the board of directors („**Board of Directors**"), as well as to Directors of ROCA Industry Holdingrock1 S.A., a joint-stock company organised and functioning under the Romanian laws, registered with the Trade Register of Bucharest under no. J40/16918/2021, unique registration code 44987869, with its registered office located in Bucharest, 4 Gara Herastrau Street, building A, 3rd floor, sector 2 ("the Company" or "ROCA Industry"). The Remuneration Policy will be subject to approval by the Ordinary General Meeting of Shareholders of the Company ("**OGMS**").
- 1.2. The Remuneration Policy has been prepared in accordance with the Corporate Governance Code of the Bucharest Stock Exchange ("**BVB**"), as well as to comply with the provisions of Article 106 of Law no. 24/2017 regarding issuers of financial instruments and market operations, with subsequent amendments and completions ("**Law no. 24/2017**").
- 1.3. As part of the development of this Remuneration Policy, a robust scenario analysis was conducted to determine both the value and composition of the remuneration for the members of the Board of Directors, as well as the executives, considering both the Company's remuneration and hiring practices and market positioning. Such an analysis will be conducted periodically to ensure that the Remuneration Policy continues to align with its purpose.

2. The purpose of the Remuneration Policy

The Remuneration Policy comprises the set of guidelines that ROCA Industry will implement regarding the remuneration of the Company's leaders and contributes to ROCA Industry's business strategy, sustainability, and long-term interests, as well as its values and objectives.

The Remuneration Policy takes into account the following aspects:

- (i) the Company to be able to recruit and retain qualified and experienced individuals, capable of contributing to the fulfillment of the strategy, the sustainability and development of long-term interests, as well as the success of the Company;
- (ii) the Company to be able to create long-term value for its shareholders and strategic partners by appointing and hiring qualified and experienced individuals;
- (iii) to remunerate Board members and executives in accordance with the Company's performance, without, however, encouraging them to act in their own interests or assume risks that are not in line with the Company's strategy and risk appetite;
- (iv) to align with the labour market conditions and the scope of the Company's activities by establishing fair and adequate remuneration, commensurate with the size and structure of the Company, as well as the nature, sector of business and complexity of its operations; and
- (v) align the executive or non-executive remuneration, as applicable, with the level of responsibility of the positions held within the Company, as well as with professional experience, to ensure that it is competitive compared to other comparable companies.

This Remuneration Policy supports the Company's mission and strategy by rewarding the achievement of sustainable long-term performance objectives and enabling the recruitment and retention of suitable individuals committed to acting in the long-term interest of the Company and its shareholders.

3. Remuneration of the employee base. Evaluation in relation to the salary and the employment conditions of the Company's employees.

- 3.1. The executive directors and managers of the Company oversee the remuneration aspects at the broader level of the Company's employees, adopting remuneration levels intended to be competitive in the labour market, with the purpose of attracting, motivating, and retaining qualified and skilled individuals. Based on market remuneration studies, the company uses a variety of compensation tools to strengthen its position as an attractive employer, such as fixed and variable, financial and non-financial elements.
- 3.2. To maintain long-term competitiveness, the remuneration packages at the broader level of the Company's employee base are established to achieve internal fairness while remaining competitive in the markets where the Company operates (through its subsidiaries), promoting sustainable outcomes, and contributing to long-term value creation.
- 3.3. The general salary and employment conditions of the Company's employee base have been taken into consideration while developing this Remuneration Policy, by adhering to the same performance-based approach and achieving the Company's strategies and objectives.

4. Remuneration of the Board of Directors members:

- 4.1. The remuneration structure of the members of the Company's Board of Directors exclusively comprises a fixed component, namely a monthly fixed remuneration, and is approved by OGSM ROCA Industry. According to this Policy, the monthly net fixed remuneration shall not exceed the level of EUR 3,000, as established by the OGSM.
- 4.2. This fixed component of the remuneration structure has been established to reflect the role, duties, and experience of the relevant persons, taking also into account that the members of the Board of Directors are not only responsible for the holding's activity but also for those of its directly owned companies. This is set at market-appropriate levels to attract and retain the individuals required for implementing the Company's strategy.
- 4.3. The monthly fixed remuneration it is not differentiated between the Chairman and other members of the Board of Directors.
- 4.4. No additional remuneration is given for participating in the consultative committees of the Board of Directors. For clarity, the members of the consultative committees who are not members of the Board of Directors may be remunerated, as appropriate, based on the decision of the Board of Directors.
- 4.5. The members of the Board of Directors may receive variable compensation based on performance criteria, if approved by the shareholders.
- 4.6. The members of the Board of Directors additionally benefit from:
 - 4.6.1. Reimbursement of reasonable expenses related to fulfilling the mandate, based on supporting documents (accommodation, travel costs, fuel etc);
 - 4.6.2. Directors' and Officers' liability insurance policy ("D&O"), with a coverage limit of up to 5 million EUR per person per event, according to market terms, up to a total of 20 million EUR in aggregate. The policy also covers a period of up to 5 (five) years from the date of the termination of the mandate, for events arising from the activities carried out by the members of the Board of Directors during their term.
- 4.7. Non-executive members of the Board of Directors do not receive any other types of benefits or compensations upon the termination of their mandate. Regarding the executive members of the Board of Directors, they are entitled to receive the benefits or compensations established in Article 5 below for the executive position they hold.
- 4.8. The duration of contracts concluded with members of the Board of Directors is up to four (4) years, with applicable notice periods of up to three (3) months.

5. General Limits of Remuneration for the Chief Executive Officer

5.1. The remuneration structure of the Chief Executive Officer (CEO) of the Company includes the following elements:

5.1.1. **a monthly net fixed remuneration**, up to a limit of 12,000 EUR. The final amount will be determined by the Board of Directors, within this limits approved by this Policy.

5.1.2. **an annual variable remuneration**, referred to as performance bonus:

i. depending on (i) the financial and non-financial results of the Company, (ii) individual performance evaluation, and (iii) overall results of the group to which the Company belongs. This variable remuneration aims to encourage the Chief Executive Officer to focus on creating long-term added value for the Company, in accordance with the Company's strategy and aligning their interests with those of the Company's shareholders.

ii. The performance bonus is calculated as a percentage applied to the fixed remuneration, which can be up to a maximum of 40% of the total annual fixed remuneration, and will be paid annually, upon confirmation of the achievement of the targeted results through applicable performance criteria, together with the remuneration for the month April of each year.

5.1.3. **a long-term variable remuneration**, in the form of stock options under a stock option plan, as to be approved by the company OGSM.

5.1.4. **other benefits**, in line with the industry standards:

i. specific equipment necessary for fulfilling responsibilities, including a vehicle, a mobile phone, laptop;

ii. reimbursement of reasonable expenses related to fulfilling the mandate, based on supporting documents (accommodation, travel costs, fuel etc)

iii. Directors' and Officers' liability insurance policy ("D&O"), with a coverage limit of up to 5 million EUR per person per event, according to market terms, up to a total of 20 million EUR in aggregate. The policy also covers a period of up to 5 (five) years from the date of the termination of the mandate, for events arising from the activities carried out by the Chief Executive Officer during their term.

iv. the same health services and/or health insurance package contracted by the Company for employees.

5.2. Upon termination of the contract with the Chief Executive Officer, they may be entitled to compensation equivalent to a maximum of 6 (six) monthly fixed remunerations.

5.3. Criteria for granting performance bonuses

5.3.1. The criteria for granting variable remuneration indicate the financial and non-financial performance of the Company. The evaluation of the performance criteria is conducted by the remuneration committee (composed of non-executive members of the Board of Directors) at the beginning of each year for the previous financial year. The committee may also conduct a discretionary analysis, except where these indicators are objective.

5.3.2. Specifically, the granting of variable remuneration depends on the fulfilment of the following criteria, which apply cumulatively:

a) **Financial indicators** of the Company such as, but not limited to: turnover, EBITDA, and net profit, as included in the annual income and expenditure budget approved by OGSM.

- b) **Non-financial indicators** of the Company, such as, but not limited to: employee development and satisfaction, team management, as well as adherence to the investment and implementation at the group level.

Specific Indicators for each category will be established by the Board of Directors.

- 5.3.3. To grant the performance bonus, the evaluation of the CEO's performance will typically be conducted based on their activity during a financial year. If the Company's Nomination and Remuneration Committee determines that the performance criteria have not been met, the Chief Executive Officer must document the performance shortfall and communicate it to them in writing. In this case, the variable component of the remuneration may be partially paid or not paid at all, depending on the degree of achievement of the performance criteria.
- 5.3.4. Depending on the degree of achievement of the performance criteria, the achievement ratio may range from 0 to 100%. For an achievement ratio below 75%, no bonus will be awarded. For an achievement ratio exceeding 100%, the awarded bonus may increase proportionally.
- 5.3.5. If the variable remuneration for a certain period of activity relied on inaccurate data (including failure to meet performance indicators, as revealed by subsequent re-evaluations) or in case of serious individual misconduct, the Board of Directors has the right to postpone, partially reduce or fully reduce payments that have not yet been made or are subject to postponement, and to request full or partial reimbursement of payments that have already been made and correspond to these events. The Board of Directors may also adjust the variable remuneration to an appropriate level if the payment of variable remuneration is deemed unacceptable according to fairness and correctness requirements.
- 5.4. The duration of the contract with the Chief Executive Officer is up to four (4) years, with a notice period up to six (6) months.
- 5.5. For clarity, an individual may hold the position of executive member of the Board of Directors, as well as Chief Executive Officer of the Company, benefiting from a remuneration package that considers the cumulation of both roles.

6. OTHER PROVISIONS

In case the members of the Board of Directors delegate their powers of representation to other directors (in addition to the Chief Executive Officer) who are not members of the Board of Directors, their remuneration will be determined by the Board of Directors in accordance with the purpose of this policy. The remuneration of these directors will have a fixed and/or variable component, but in any case, it will not exceed the remuneration limits set for the Chief Executive Officer.

7. PENSIONS

No contribution to pension plans (other than those provided by applicable law) will be paid for members of the Board of Directors and for the Chief Executive Officer.

8. EXCEPTIONS

- 8.1. Exceptions to this Remuneration Policy may apply if exceptional circumstances require and only on a temporary basis, until the adoption of a new policy.
- 8.2. Exceptional circumstances are circumstances where deviation is necessary to serve the long-term prospects and sustainability of the Company. Any such deviations will be aligned with the main objectives of the Remuneration Policy.
- 8.3. In the case of external employment, in certain circumstances, additional cash payments or rewards consisting of shares may be necessary to compensate for the loss of incentives/bonuses upon leaving the current employer.
- 8.4. Higher-than-market remuneration levels may be granted to attract or retain individuals who are considered indispensable in achieving the Company's strategy.

9. Revision and publication of the Remuneration Policy

- 9.1. The Remuneration Policy shall be approved and reviewed at the OGSM for each material change, and in any case, at least once every 4 years.
- 9.2. After the approval of the Remuneration Policy within the OGSM, it is promptly published on the Company's official website, <https://rocaindustry.ro>, in the investor section, and will remain available to the public, free of charge, for as long as it is applicable.