

## **Supporting Note for Implementing a Stock Option Plan, as a Compensation and Retention Program for the Management Team of Roca Industry Holdingrock1 S.A. (“Roca Industry”)**

According to the Fiscal Code (Law no. 227/2015), a "stock option plan" ("SOP") represents "a program initiated within a legal entity whereby employees, administrators, and/or directors thereof or of affiliated legal entities, as provided in point 26 letters c) and d), are granted the right to purchase at a preferential price or receive free of charge a determined number of participation units, as defined under point 40, issued by the respective entity.”

In accordance with point 40, "participation unit" means "any share or other equity interest in a general partnership, limited partnership, joint-stock company, partnership limited by shares, limited liability company or in another legal entity, or holdings in an investment fund."

Furthermore, it is provided that "For a program to qualify as a stock option plan, it must include a minimum period of one year between the granting of the right and the exercise thereof (acquisition of participation units)."

Implementing a SOP program presents the advantage of lower operational expenses and tax optimization allowed by the provisions of the current Fiscal Code.

The Fiscal Code regulates a favorable tax treatment for the distribution of shares through SOP programs. For the income obtained from these operations, the company and the beneficiaries are exempt from paying income tax assimilated to salaries (Article 76 of the Fiscal Code) and from paying social security contributions (Article 142 of the Fiscal Code). To benefit from the tax incentives, the minimum period after which the acquirers of shares under the SOP plan can exercise their option to receive free shares cannot be less than 12 months.

Considering:

- i. The necessity of motivating and retaining the management team of Roca Industry,
- ii. The necessity of aligning the reward and motivation system of Roca Industry employees with market practices,
- iii. The necessity of aligning the objectives of the management team of Roca Industry with the interests of its shareholders,
- iv. The necessity of setting medium-term objectives that are quantifiable and measurable,

The Board of Directors of Roca Industry proposes the approval of initiating a Stock Option Plan for the management team of Roca Industry, with the following general characteristics:

1. **The duration of the SOP** will span over 3 years, from 2024 to 2026, with the actual granting of shares after the approval of the annual financial statements for the year 2026, i.e., in Q2 2027.
2. **The percentages offered** - a maximum of 3% of the company's shares will be allocated, free of charge, through the issuance of new shares, as follows:
  - Maximum 1% for the CEO;
  - Maximum 1% for the CFO, CCO and COO, respectively a maximum of 0,33% for each;
  - Maximum 1% will remain at the discretion of the Board of Directors to be allocated to other members of the team, existing or future, who currently may not qualify in terms of seniority and tenure.
3. **Granting Conditions** - shares will be awarded based on and as a result of achieving performance indicators aligned with the holding's development strategy, as follows:

- **Financial indicators (weight 50%)** - calculated as the sum of the results of the companies currently in the ROC1 holding (including Workshop Doors):
  - ✓ 2024 – cumulative turnover of 650 million lei and EBITDA of 70 million lei;
  - ✓ 2025 – cumulative turnover of 750 mil lei and EBITDA of 90 million lei;
  - ✓ 2026 – cumulative turnover of 850 mil lei and EBITDA of 110 million lei.

Following future transactions, the Board of Directors will update the indicators using the same principle, namely by cumulating the values above with the budgeted results of the acquired companies.

- **Development indicators (weight 25%)** - minimum one acquisition transaction per year resulting in at least a 10% increase in cumulative turnover and at least a 10% increase in cumulative EBITDA.
- **Stock performance indicators (weight 25%)** - the ROC1 stock price evolution to exceed the BET index evolution by at least 5% per year.

#### 4. **Other Granting Conditions:**

- The granting of shares will be calculated annually, based on the achievement of annual performance indicators, and not cumulatively at the end of the period. Additionally, a catch-up mechanism will be implemented, so that the achievement of financial indicators in year 3 and the cumulative achievement of development and stock performance indicators at the end of year 3 to allow for the full allocation of shares.
- Shares corresponding to each year will be granted in full if the indicators are achieved at 100%. In case of achievement of at least 90% of the annual indicators, 75% of the corresponding shares will be granted, and in case of achievement of at least 80% of the indicators, 50% of the corresponding shares will be granted. Achievement of indicators below the 80% threshold does not entitle to any percentage of shares.

In support of the above, we believe that this employee motivation and retention program is aligned not only with the holding's development plan but also with the interests of the shareholders.