

**Cover note for agenda items 7 to 9  
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS  
of 06/07.03.2024**

**Approval of the implementation of a stock option plan**

**Stock Option Plan (SOP)** is a long-term incentive, compensation and loyalty plan for executives and employees of a company, who are conditionally granted the option to participate in the company's share capital by purchasing shares at a preferential price or by granting shares for free.

**Legal considerations**

According to the Fiscal Code (Law 227/2015), a "stock option plan" is *"a program initiated within a legal entity whereby employees, directors and/or administrators of the legal entity or of its affiliated legal entities, referred to in item 26 lit. (c) and (d), the right to acquire at a preferential price or to receive free of charge a specified number of equity securities, defined in accordance with point 40, issued by that entity"*.

For the purposes of paragraph 40 of the Fiscal Code, *"participation security"* means *"any share or other equity interest in a general partnership, limited partnership, joint-stock company, limited partnership, limited liability company or other legal entity or in a public investment fund"*.

Also, Article 7(39) of the Fiscal Code provides that *"for a programme to qualify as a stock option plan, the programme must cover a minimum period of one year between the time the right is granted and the time it is exercised (the purchase of the shares)"*.

**Benefits of the stock option plan**

*Advantages for the employee:*

- Possibility to become a shareholder without making an investment
- Possibility of medium and long-term accumulation
- Direct participation in the company's success (including dividends)
- Tax benefits (favourable tax treatment compared to other salary benefits)

*Advantages for the employer:*

- It is a long-term remuneration alternative
- Tool for attracting and retaining key or skilled employees
- Encourages employees to come up with ideas and solutions
- Increases employee loyalty and satisfaction

**About the programme**

Implementing a stock option plan has multiple benefits, reducing some operational costs, increasing the motivation of staff on the scheme and increasing the retention of staff on the scheme.

Stages in the implementation of the programme

Stage I - Redemption of shares required for the Stock Option Plan

Stage II - Implementation of the Stock Option Plan

## **Stage I**

Acquisition by the Company of its own shares, through a public offer, in compliance with the applicable legal provisions and meeting the following main characteristics:

- Purpose of the programme: the repurchase of shares for distribution free of charge to employees and members of the Company's management and affiliated legal entities, under a Stock Option Plan, in compliance with the legislation in force, with the aim of retaining them and rewarding their performance and results obtained through the activity carried out;
- Maximum number of shares that may be repurchased: a maximum of 954.808 shares, representing 1% of the Company's share capital;
- Minimum price per share: 0,40 lei;
- Maximum price per share: 0,95 lei;
- Maximum pecuniary value: 907.067,60 lei;
- Duration: maximum 18 months from the date of publication of the decision in the Official Gazette of Romania, Part IV;
- Payment for the acquired shares will be made from the sources provided for by law.

The purchase of shares under the buyback programme will be carried out by means of a public offer on the basis of a Public Offer Document, approved by the Financial Supervisory Authority and carried out through an Intermediary.

It is submitted for approval to the Extraordinary General Meeting of Shareholders to empower the Board of Directors of the Company with the right of representation and/or proxy to take measures to carry out all the necessary steps and formalities for the acquisition of its own shares through a public tender offer.

## **Stage II**

Implementation of a "stock option plan" programme aimed at granting option rights to acquire shares free of charge to employees and members of the management of the Company and affiliated legal entities, in order to retain and motivate them and to reward them for their work.

### *Beneficiaries*

All persons occupying positions in the organisation chart of the Company and affiliated legal entities, to be determined by verification/application of the eligibility and selection criteria established by the decision of the Board of Administrators to implement the stock option plan, in compliance with the principle of non-discrimination, may participate in the stock option plan.

### *Period of exercise of the option*

The option right may be exercised after a period established by the decision of the Board of Administrators to implement the stock option plan, but this period may not be shorter than 12 months from the date of the agreement of acceptance of the shares by the beneficiaries.

### *Eligibility conditions*

The eligibility conditions for participation in the stock option plan will be established by decision of the Board of Administrators.

*Free acquisition*

Following the exercise of the option, the beneficiaries will acquire the shares free of charge.

*Implementation*

Implementation will be carried out by the Board of Administrators of the Company, in compliance with the resolution of the Extraordinary General Meeting of Shareholders.

It is submitted for approval to the Extraordinary General Meeting of Shareholders the empowerment of the Board of Administrators with the right of representation and/or substitution to carry out the resolution, within the legal and statutory limits, by going through all the steps and formalities for the implementation of the "Stock Option Plan" program, such as, but not limited to: identification of the allocation criteria, determination of the number of shares to be effectively distributed to each beneficiary, the period for exercising the rights, identification of the beneficiaries, preparation and publication of the information documents in accordance with the law.

The implementation of the programme will be carried out in compliance with the legal obligations to draw up and publish information documents under the law, namely those indicated in the Regulation no. 5/2018 on issuers of financial instruments and market operations.