

To: Bucharest Stock Exchange
ASF (Financial Supervisory Authority) Financial Instruments and Investments
Sector

CURRENT REPORT

Report date: 21.03.2018

In compliance with:

- CNVM Regulation no. 1/2006 on issuers and operations with securities
- Law no. 297/2004 on the capital market
- Law no. 24/2017 on issuers

Entity name: S.C. ELECTROMAGNETICA S.A.

Address: 266-268 CALEA RAHOVEI Street, District 5, BUCHAREST

Telephone: 404.21.02; 404.21.08 FAX: 404.21.95; 404.21.94

Trade Register registration no.: J 40/19/1991

Unique code of registration: 414118

Share capital subscribed and paid up: 67 603 870.4 Lei

The regulated market where the issued securities are traded: Premium Category, BVB

Important events to be reported:

Notice of the Ordinary General Meeting of Shareholders and of the Extraordinary General Meeting of Shareholders on 25/26 April 2018.

NOTICE OF MEETING

The Board of Directors of **ELECTROMAGNETICA SA**, with its head office in Bucharest, 266-268 Calea Rahovei Street, District 5, met on 20.03.2018, at 12.00 a.m., to call an Ordinary General Meeting of Shareholders (AGOA) and an Extraordinary General Meeting of Shareholders (AGEA) on the date of 25 April 2018, at 1:00 p.m. and, respectively, at 2:00 p.m., at the company's head office. The call is addressed to all the shareholders registered in the Company's Shareholders Register held by Depozitarul Central SA by the end of the 18th day of April 2018 which is considered the reference date for such meetings.

The agenda of the Ordinary General Meeting is the following:

1. Approval of the individual annual financial statements for the financial year ended on 31 December 2017 according to the Accounting Regulations complying with the International Financial Reporting Standards, accompanied by the report of the Board of Directors and the report of the financial auditor, made of:

- Status of the financial position;
 - Status of the global result;
 - Status of the own capital changes
 - Status of the cash flows
 - Notes to the individual financial statements.
2. Approval of the consolidated annual financial statements for the financial year ended on 31 December 2017 according to the Accounting Regulations complying with the International Financial Reporting Standards, accompanied by the report of the Board of Directors and the report of the financial auditor, made of:
 - Consolidated status of the financial position;
 - Consolidated status of the global result;
 - Consolidated status of the own capital changes
 - Consolidated status of the cash flows
 - Notes to the individual financial statements.
 3. Approval of the non-distribution of dividends and approval of the loss coverage for 2017.
 4. Release from the administration of the administrators for the financial year 2017.
 5. Approval of the Income and Expense Budget for 2018 and of the Activity Program for the financial year 2018, authorizing the Board of Directors to re-correlate the income and expenses elements, under the conditions of the occurrence of some unforeseeable random events.
 6. Approval of the remuneration due to the members of the Board of Directors for the financial year 2018.
 7. Approval to carry out, during the financial year 2018, the accounting record, under “income”, of the dividends failed to be collected for more than three years from their eligibility date, for which the right to action is extinguished by statute of limitation, namely the dividends associated with the financial year 2014, existing in the balance as unpaid on 18 June 2018.
 8. Appointment as independent member in the Audit Committee, for a mandate equal with the one of the Board of Directors, of Mrs. Ileana Roman, auditor and accounting expert, in accordance with Art. 2, point 12., letter A. of title I, chapter I – Law no. 162/2017 and Art. 65 of title I, chapter IX – Law no. 162/2017;
 9. Appointment of Deloitte Audit SRL as financial auditor in order to audit the financial statements for 2018 and 2019 and authorization of the board of directors in order to enter into the audit contract.
 10. Approval of 15 May 2018 as registration date for the identification of shareholders on whom the effects of the Ordinary General Meeting of the Shareholders decisions are in force and of 14 May 2018 as ex-date (date when the shares are traded without the rights arising from the Ordinary General Meeting of the Shareholders decisions).
 11. Authorization of Mr. Eugen Scheusan – Chairman of the Board of Directors, for the substitution possibility, in order to: i) conclude and/or sign, on behalf of the Company and/or the Company shareholders the decisions of this Ordinary General Meeting of the Shareholders, any and all decisions, documents, applications, forms and requests adopted/drafted in order to or for the enforcement of the decisions of this Ordinary General Meeting of the Shareholders in relation with any natural person or legal entity, private or public, in order to ii) carry out all legal

formalities for the registration, opposability, enforcement and notification of the adopted decisions.

The agenda of the Extraordinary General Meeting is the following:

1. Approval of the sale of the land located at the address: Petre Ispirescu Street no. 23-37, District 5, with an area of 456 sqm., registered in the land book no. 213254, former land book no. 51105, for a price at least equal with the value set in the assessment report, report which shall be subject to the analysis and approval of the Board of Directors.
2. Confirmation of the dismemberment (subdivision) deed for a land area of **10,335 sqm.** (Lot no. 28) according to the cadastral measurements (*10,241 sqm., according to the ownership titles*), **having the cadastral no. 216361** (former. cad. no. 3063/2/2/28) land which has the destination of access road and serves the parcels with the cad. no. from 3063/2/2/1 to 3063/2/2/27, **registered in the land book no. 216361 of Bucharest Municipality - District 5** (former land book no. 55505) located within the built-up area of Bucharest Municipality, Calea Rahovei Street no. 266 – 268, District 5, as the cadastral documentation was drawn up by the authorized technical staff member, Mr. Nicolae Afloarei (authorization series RO-B-F no. 0631) and registered at the Office of Cadastre and Land Registration Bucharest under no. 6837/28 February 2017/24 June 2016 and accepted by the acceptance report (real estate dismemberment) by Drăgan Ioan (cadastre inspector), namely: **1. – real estate** located within the built-up area of Bucharest Municipality, Calea Rahovei Street no. 266–268, District 5 - Lot no. 28/1, **having the cadastral no. 232598**, made of a land with an area of **10,044 sqm.** and **2. – real estate** located within the built-up area of Bucharest Municipality, Calea Rahovei Street no. 266–268, District 5 - Lot no. 28/128/2, **having the cadastral no. 232599**, made of a land with an area of **291 sqm.**, considering that the Decision of the General Meeting of the Shareholders of Electromagnetica S.A. from 26 April 2017 adopted the dismemberment of the land area of **10,335 sqm.** (Lot no. 28) according to the cadastral measurements (*10,241 sqm., according to the ownership titles*) in two lots, of which one with an area of 152 sqm.
3. **Approval of the subdivision by lots of the real estate located on Calea Rahovei Street no. 266-268, District 5**, as follows:
 - a) dismemberments:
 - dismemberment of Lot no. 28/1 in 9 lots;
 - dismemberment of Lot no. 14 in 2 lots;
 - dismemberment of Lot no. 20 in 2 lots;
 - dismemberment of Lot no. 5 in 2 lots;
 - b) joinings:
 - joining of Lot no. 1 with Lot no. 2;
 - joining of Lot no. 28/1 with Lot no. 5/2;
 - joining of Lot no. 5/1 with Lot no. 28/1/2 with Lot no. 6 with Lot no. 7 with Lot no. 28/1/3;
 - joining of Lot no. 9 with Lot no. 28/1/4;
 - joining of Lot no. 14/1 with Lot no. 28/1/5;
 - joining of Lot no. 15 with Lot no. 28/1/6;
 - joining of Lot no. 20 with Lot no. 14/2 with Lot no. 28/1/7;
 - joining of Lot no. 23 with Lot no. 20/2 with Lot no. 24 with Lot no. 25 with Lot no. 28/1/8;
4. Approval of 15 May 2018 as registration date for the identification of shareholders on whom the effects of the Extraordinary General Meeting of the Shareholders decisions are in force and of 14

May 2018 as ex-date (date when the shares are traded without the rights arising from the Extraordinary General Meeting of the Shareholders decisions).

5. Authorization of Mr. Eugen Scheusan – Chairman of the Board of Directors, for the substitution possibility, in order to: i) sign before the Notary Public for the sale of the land mentioned at point 1) ii) dismember the lots above mentioned at point 3, join the above mentioned lots, sign all deeds necessary for dismemberment, sign all deeds necessary for joining on behalf of and for Electromagnetica SA, both before the Notary Public, as well those associated with the registration in the land register iii) conclude and/or sign, on behalf of the Company and/or the Company shareholders the decisions of this Extraordinary General Meeting of the Shareholders, any and all decisions, documents, applications, forms and requests adopted/drafted in order to or for the enforcement of the decisions of this Extraordinary General Meeting of the Shareholders in relation with any natural person or legal entity, private or public, in order to iv) carry out all legal formalities for the registration, opposability, enforcement and notification of the adopted decisions.

Starting from 23 March 2018, the notice of meeting, documents and information materials regarding the agenda, draft resolutions, ballots for correspondence voting, special power-of-attorney forms for the representation of the shareholders in AGOA and AGEA, the total number of shares and the total number of voting rights, the list containing information about the person proposed as auditor (name, city, professional qualification), as well as the information about the persons proposed to be elected as directors (name, place of residence, professional qualification) are made available to the shareholders and they may be consulted or obtained by them either at the Company's head office, respectively at the Legal Department, every day, from Monday till Friday, between 7:00 and 15:00 hours, or on the Company's website (www.electromagnetica.ro/) in the section Company/Investors/General Meetings/2018, while the rules regarding the conduct of general meetings and the maintenance of the shareholders' rights may be seen in the section Company/Investors/Info/Corporate Governance.

One or more shareholders representing, whether individually or collectively, at least 5% of the capital stock has/have the right to: i) put items on the agenda of the general meeting, provided that each such item is accompanied by a justification or a draft resolution to be adopted in the general meeting and ii) to table draft resolutions for the items includes or proposed to be included on the agenda of the general meeting.

The proposals for the new items on the agenda and draft resolutions, together with the documents attesting the fulfillment of the conditions, shall be sent within 15 days from the date of the notice of meeting, i.e. by 10 April 2018, 15:00 hours, as follows:

- in the form of a handwritten document lodged in a closed envelope at the secretarial office or sent by fast courier or by mail with acknowledgement of receipt, bearing the mention "FOR OGMS/EGMS OF 25 APRIL 2018" written in capital letters";
- in the form of a document with an attached extended electronic signature, according to Law no. 455/2001, sent to the address juridic@electromagnetica.ro, indicating in the subject box the words "FOR OGMS/EGMS OF 25 APRIL 2018", written in capital letters.

Irrespective of the number of shares they hold, the Company' shareholders may address to the Legal Department, in a closed envelope, questions about the items on the agenda of the general meeting, by 23 April 2018, 15:00 hours. The envelopes containing questions and attached documents shall bear the mention "FOR OGMS/EGMS OF 25 APRIL 2018" written in capital letters."

In order to identify and prove the shareholder capacity, respectively the capacity of a shareholder's legal representative, the persons who address questions or make proposals to supplement the agenda shall send the following documents, whether in original or certified true copy: a statement of account attesting the shareholder capacity and the number of shares held, issued by Depozitarul Central or, if applicable, by the participants providing custody services for them, as defined in Article 168(1) (b) of Law no. 297/2004; a copy of the identity document or equivalent in the case of natural person shareholders, while in the case of legal entity shareholders, a copy of the identity document of the legal representative together with a finding certificate issued by the Trade Register or any other document attesting the legal representative capacity, issued by a competent authority from the state where the shareholder is registered, issued not earlier than 3 months before the publication date of the notice of meeting. The documents attesting the legal representative capacity, which are drawn up in a foreign language other than English shall be accompanied by a translation into Romanian or English, done by an authorized translator. Legal entity shareholders or the entities without legal personality which, before the reference date, provided the information on their legal representative to Depozitarul Central, so that they could be included in the shareholders' register at the reference date, shall not need to prove their capacity of shareholder's legal representative by sending the documents mentioned above.

Only the shareholders who at the reference date are found to be registered may attend the general meeting and exercise their voting rights either in person or by representative, based on a special or general power of attorney, or before the meeting, by mail, based on the ballot for correspondence voting.

The access of the shareholders and representatives to the meetings and/or the correspondence voting is allowed by simple proof of identity, as follows:

- Natural person shareholders – in person, based on identity document (identity card or ID bulletin for Romanian citizens, passport/identity paper for EU citizens, passport for non-EU citizens)
- Natural person shareholders – by representative, based on a special or general power of attorney and the representative's identity document;
- Legal entity shareholders – by legal representative, based on his/her identity document and the list of shareholders at the reference date, received from Depozitarul Central, while for the shareholders who failed to inform Depozitarul Central in due time about their relationship with their legal representative, based on a finding certificate issued by the Trade Register or any other official document, whether in original or in certified true copy, attesting the capacity of legal representative, which was issued by a competent authority not earlier than 3 months before the publication date of the notice of meeting.
- Legal entity shareholders – by appointee, based on a special or general power of attorney signed and stamped by the legal representative of the legal entity shareholder, accompanied by the identity document of the person who was appointed representative and the certified true copy of the finding certificate issued by the Trade Register or any other official document, whether in original or in certified true copy, attesting the capacity of legal representative of the principal of the power of attorney, issued by a competent authority, not earlier than 3 months before the publication date of the notice of meeting.

In the case of a special power of attorney for attending the meeting, given by a shareholder to a credit institution which provides custody services, the power of attorney shall be accompanied by a notarial statement of the institution subject to the trust mandate by special power of attorney, confirming the following: i) the credit institution provides custody services for the respective shareholder ii) the instructions mentioned in the special power of attorney are identical with the instructions contained in the SWIFT message received by the credit institution for voting on behalf of the respective shareholder; iii) the special power of attorney is signed by the shareholder. The special power of attorney and the notarial statement shall be lodged by the issuer in original copy, signed and stamped (where applicable).

For the shareholders who benefit from custody services, the ballot for correspondence voting, signed by the shareholder, may be sent without further documents being required, if it is accompanied by a notarial statement given by the legal representative of the credit institution, confirming the following: i) the credit institution provides custody services for the respective shareholder and ii) the ballot for correspondence voting is signed by the shareholder and contains voting options identical with those mentioned by the shareholder in a SWIFT message received by the credit institution from the respective shareholder. The ballot for correspondence voting and the notarial statement of the credit institution shall be lodged at the Company in original copy, signed by the legal representative of the credit institution and stamped (where applicable).

After completion, whether in Romanian or in English, the special or general power of attorney, respectively the ballot for correspondence voting, signed and stamped (where applicable), shall be sent to the Company, in a closed envelope bearing the mention "FOR OGMS/EGMS OF 25 April 2018" written clearly in capital letters, by 23.04.2018, 1:00 p.m. for OGMS and by 2:00 p.m. for EGMS, otherwise the right to vote by representative or correspondence in the general meeting shall be lost in accordance with the legal provisions. Within the same terms specified above, the special or general powers of attorney and the ballots for correspondence voting may also be sent by e-mail with an attached extended electronic signature according to Law no. 455/2001, to the address juridic@electromagnetica.ro, indicating in the subject box: "FOR OGMS/EGMS OF 25 April 2018".

The general powers of attorney shall be lodged only once before their first use, in certified true copy bearing the representative's signature, which will then be valid for any general meeting to be held within the validity term of the powers of attorney. A general power of attorney may be given for a maximum period of 3 years, provided that it is given by the shareholders, in their capacity of customer, to any agent defined in Article 2 (1) point 14 of Law no. 297/2004 on the capital market or to a lawyer and only if the representative is free of any conflict of interest which may particularly occur in one of the cases referred to in Article 92 (15) of Law no. 24/2017. The general powers of attorney shall be accompanied by a notarial statement given by the legal representative of the agent or by the lawyer who received the representation mandate through the general power of attorney, where to confirm the following:

- (i) The power of attorney is given by the respective shareholder, as customer, to his agent or lawyer (as applicable);
- (ii) The general power of attorney is signed by the shareholder, including by extended electronic signature attached, if applicable.

If the agenda is completed, the Company shall make available to the shareholders the notice of meeting, the special proxy forms and the updated postal ballot forms.

If the legal quorum is not attained in the general meeting convened on 25 April 2018, the second ordinary, respectively extraordinary general meeting shall be convened on 26 April 2018, in the same place, at the same time, having the same reference date and the same agenda.

At the date of this call, the capital stock of Electromagnetica SA is composed of 676.038.704 ordinary shares, each share conferring upon its holder a right to vote at the general meeting.

Any further information may be obtained at the Legal Department by phone – 021 4042129, 021 4042131, 021 4042132 or e-mail juridic@electromagnetica.ro.”

**President of the Board of Directors
Eugen SCHEUSAN**