

ARTICLES OF INCORPORATION OF THE COMPANY

“ELECTROMAGNETICA” SA

- updated on 24 September 2021 -

CHAPTER I

NAME. LEGAL FORM. SEAT DURATION

Article 1 – Name of the Company

- 1.1. The name of the company is The Trading Company (S.C.) **“ELECTROMAGNETICA” SA**.
- 1.2. In all papers, invoices, orders, offers, tariffs, prospectuses, notices, publications and other documents issued by the company, the name of the company shall be preceded or followed by the words “joint stock company” or the initials “S.A.”, the subscribed and paid-up share capital, the registered office of the company, the registration number with the Trade Register and the sole registration code.
- 1.3. The logo of the company shall be the one included in the trademark registered with the State Office for Inventions and Trademarks under the Certificate no. 32832/28.07.1997, with the following description: The logo is represented by the company name, written in capital letters, in white colour, embroidered in blue; the letter “O” is represented by a blue-embroidered white circle, inside which is represented the Earth, with meridians and parallels and part of the continents.

Article 2 – Legal form of the company.

- 2.1. The company **“ELECTROMAGNETICA SA”**, hereinafter referred to as the Company, is a Romanian legal person, having the legal form of a joint stock company and is a public trading company.
- 2.2. It conducts its activities in accordance with the Romanian laws and these articles of incorporation.

Article 3 – Seat of the Company

- 3.1. The Company has its registered office in Romania, Bucharest, 266-268 Calea Rahovei, District 5. The registered office of the Company can be relocated to another locality in Romania, based on a resolution of the general meeting of shareholders, according to the law.
- 3.2. The Company may set up, for the purpose of conducting its activity, other subsidiaries, branches, representatives, agencies, in other localities in the country and abroad, based on a resolution of the general meeting of the shareholders of the Company
- 3.3. The company ELECTROMAGNETICA SA owns the following entities without legal personality:
 1. The Special Production Prototypes Unit, located in 101 Chirca Street, Varteju commune, Magurele town, Ilfov County, where the activity conducted corresponds to NACE Code 2651 – Manufacture of instruments and appliances for measuring, testing and navigation.
 2. The retail store “CASATEL” located in. 266-268Calea Rahovei, District 5, Bucharest, where the activity conducted corresponds to NACE Code 4754 – Retail sale of electrical household appliances in specialised stores.
 3. The sports base located in 19 Veseliei Street, District 5, Bucharest, where the activity conducted corresponds to NACE Code 9311 - Operation of sports facilities.
 4. The Galanesti-Bilca 1 low-power hydroelectric power plant located on the Suceava River in Bilca commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
 5. The Galanesti-Bilca 2 low-power hydroelectric power plant located on the Suceava River in Bilca commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.

6. The Galanesti-Bilca 3 low-power hydroelectric power plant located on the Suceava River in Bilca commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity, and office activities.
7. The Tibeni low-power hydroelectric power plant located on the Suceava River in Satu Mare commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
8. The Brodina 1 low-power hydroelectric power plant, located on the Brodina River in Brodina commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
9. The Brodina 2 low-power hydroelectric power plant, located on the Brodina River in Brodina commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
10. The Sadau low-power hydroelectric power plant, located on the Sadau River in Sadau locality, Brodina commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
11. The Ehreste low-power hydroelectric power plant, located on the Brodina River in Brodina commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
12. The Putna low-power hydroelectric power plant, located on the Putnisoara River in Putna commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
13. The Brodina de Jos low-power hydroelectric power plant, located on the Brodina River in Brodina commune, Suceava County, where the activity conducted corresponds to NACE Code 3511 – Production of electricity.
14. Land situated instead in the locality Moara Vlasiei, Land Register number CF 50098, where agricultural activity is conducted.

Article 4 – Duration of the Company

- 4.1. The duration of the Company is unlimited as of the date of its registration with the Trade Register.

CHAPTER II

PURPOSE AND SCOPE OF BUSINESS OF THE COMPANY

Article 5 – The purpose of the company is to conduct efficiently the activities within its scope of business.

Article 6 – Field and object of activity of the Company.

- 6.1. **The main field of activity is NACE Code 265 Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks and the main activity is NACE Code 2651 – Manufacture of instruments and appliances for measuring, testing and navigation.**
- 6.2. The object of activity of the Company.
 - 6.2.1. NACE code 1624 - Manufacture of wooden containers
 - 6.2.2. NACE code 1629 - Manufacture of other products of wood, manufacture of articles of cork, straw and plaiting materials
 - 6.2.3. NACE code 2229 - Manufacture of other plastic products
 - 6.2.4. NACE code 2453 - Casting of light metals
 - 6.2.5. NACE code 2511 - Manufacture of metal structures and parts of structures
 - 6.2.6. NACE code 2512 - Manufacture of doors and windows of metal
 - 6.2.7. NACE code 2529 - Manufacture of other tanks, reservoirs and containers of metal
 - 6.2.8. NACE code 2561 - Treatment and coating of metals
 - 6.2.9. NACE code 2562 - Machining
 - 6.2.10. NACE code 2573 - Manufacture of tools

- 6.2.11. NACE code 2594 - Manufacture of fasteners and screw machine products
- 6.2.12. NACE code 2599 - Manufacture of other fabricated metal products n.e.c.
- 6.2.13. NACE code 2825 - Manufacture of non-domestic cooling and ventilation equipment
- 6.2.14. NACE code 2824 - Manufacture of power-driven hand tools
- 6.2.15. NACE code 2841 - Manufacture of metal forming machinery
- 6.2.16. NACE code 2849 - Manufacture of other machine tools n.e.c.
- 6.2.17. NACE code 2896 - Manufacture of plastics and rubber machinery
- 6.2.18. NACE code 2751 - Manufacture of electric domestic appliances
- 6.2.19. NACE code 2752 - Manufacture of non-electric domestic appliances
- 6.2.20. NACE code 2711 - Manufacture of electric motors, generators and transformers
- 6.2.21. NACE code 2712 - Manufacture of electricity distribution and control apparatus
- 6.2.22. NACE code 2931 - Manufacture of electrical and electronic equipment for motor vehicles
- 6.2.23. NACE code 2790 - Manufacture of other electrical equipment
- 6.2.24. NACE code 2611 - Manufacture of electronic components
- 6.2.25. NACE code 2630 - Manufacture of communication equipment
- 6.2.26. NACE code 3250 - Manufacture of medical and dental instruments and supplies
- 6.2.27. NACE code 3320 - Installation of industrial machinery and equipment
- 6.2.28. NACE code 2670 - Manufacture of optical instruments and photographic equipment
- 6.2.29. NACE code 3240 - Manufacture of games and toys
- 6.2.30. NACE code 3213 - Manufacture of imitation jewellery and related articles
- 6.2.31. NACE code 3831 - Dismantling of wrecks
- 6.2.32. NACE code 3513 - Distribution of electricity
- 6.2.33. NACE code 3514 - Trade of electricity
- 6.2.34. NACE code 4311 - Demolition
- 6.2.35. NACE code 4222 - Construction of utility projects for electricity and telecommunications
- 6.2.36. NACE code 4299 - Construction of other civil engineering projects n.e.c.
- 6.2.37. NACE code 4391 - Roofing activities
- 6.2.38. NACE code 4321 - Electrical installations
- 6.2.39. NACE code 4322 - Plumbing, heat and air-conditioning installation
- 6.2.40. NACE code 4329 - Other construction installation
- 6.2.41. NACE code 4331 - Plastering
- 6.2.42. NACE code 4332 - Joinery installation
- 6.2.43. NACE code 4333 - Floor and wall covering
- 6.2.44. NACE code 4334 - Painting and glazing
- 6.2.45. NACE code 4339 - Other building completion and finishing
- 6.2.46. NACE code 4399 - Other specialized construction activities n.e.c.
- 6.2.47. NACE code 4511 - Sale of cars and light motor vehicles (below 3.5 tons)
- 6.2.48. NACE code 4531 - Wholesale trade of motor vehicle parts and accessories
- 6.2.49. NACE code 4619 - Agents involved in the sale of a variety of goods
- 6.2.50. NACE code 4643 - Wholesale of electrical household appliances
- 6.2.51. NACE code 4644 - Wholesale of china and glassware and cleaning materials
- 6.2.52. NACE code 4671 - Wholesale of solid, liquid and gaseous fuels and related products
- 6.2.53. NACE code 4673 - Wholesale of wood, construction materials and sanitary equipment
- 6.2.54. NACE code 4674 - Wholesale of hardware, plumbing and heating equipment and supplies
- 6.2.55. NACE code 4675 - Wholesale of chemical products
- 6.2.56. NACE code 4676 - Wholesale of other intermediate products
- 6.2.57. NACE code 4677 - Wholesale of waste and scrap
- 6.2.58. NACE code 4663 - Wholesale of mining, construction and civil engineering machinery
- 6.2.59. NACE code 4690 - Non-specialized wholesale trade

- 6.2.60. NACE code 4711 - Retail sale in non-specialized stores with food, beverages or tobacco predominating
- 6.2.61. NACE code 4719 - Other retail sale in non-specialized stores
- 6.2.62. NACE code 4754 - Retail sale of electrical household appliance in specialized stores
- 6.2.63. NACE code 4752 - Retail sale of hardware, paints and glass in specialized stores
- 6.2.64. NACE code 4762 - Retail sale of newspapers and stationery in specialized stores;
- 6.2.65. NACE code 4742 - Retail sale of telecommunications equipment in specialized stores
- 6.2.66. NACE code 4799 - Other retail sale not in stores, stalls or markets
- 6.2.67. NACE code 9521 - Repair of consumer electronics
- 6.2.68. NACE code 5610 - Restaurants
- 6.2.69. NACE code 5629 - Other food service activities n.e.c.
- 6.2.70. NACE code 4939 - Other passenger land transport n.e.c.
- 6.2.71. NACE code 4941 - Freight transport by road
- 6.2.72. NACE code 5229 - Other transportation support activities
- 6.2.73. NACE code 6190 - Other telecommunications activities
- 6.2.74. NACE code 6499 - Other financial service activities n.e.c.
- 6.2.75. NACE code 6612 – Security and commodity contracts brokerage
- 6.2.76. NACE code 4110 - Development of building projects
- 6.2.77. NACE code 6810 - Buying and selling of own real estate
- 6.2.78. NACE code 6820 - Renting and operating of own or leased real estate
- 6.2.79. NACE code 7739 - Renting and leasing of other machinery, equipment and tangible goods n.e.c.
- 6.2.80. NACE code 5829 - Other software publishing
- 6.2.81. NACE code 6201 - Computer programming activities (customer-oriented software)
- 6.2.82. NACE code 6202 - Computer consultancy activities
- 6.2.83. NACE code 6203 - Computer facilities management activities
- 6.2.84. NACE code 6311 - Data processing, hosting and related activities
- 6.2.85. NACE code 5819 - Other publishing activities
- 6.2.86. NACE code 7219 - Other research and experimental development on natural sciences and engineering
- 6.2.87. NACE code 7320 - Market research and public opinion polling
- 6.2.88. NACE code 7022 - Business and other management consultancy activities
- 6.2.89. NACE code 7112 - Business and other management consultancy activities
- 6.2.90. NACE code 8220 - Activities of call centers
- 6.2.91. NACE code 8425 - Fire service activities
- 6.2.92. NACE code 8510 - Pre-primary education
- 6.2.93. NACE code 8559 - Other education n.e.c.
- 6.2.94. NACE code 8623 - Dental practice activities
- 6.2.95. NACE code 8690 - Other human health activities
- 6.2.96. NACE code 9412 - Activities of professional membership organizations
- 6.2.97. NACE code 9311 - Operation of sports facilities
- 6.2.98. NACE code 3511 - Production of electricity
- 6.2.99. NACE code 3313 - Repair of electronic and optical equipment
- 6.2.100. NACE code 2740 - Manufacture of electric lighting equipment
- 6.2.101. NACE code 7120 – Technical testing and analysis
- 6.2.102. NACE code 8299 – Other business support service activities n.e.c.
- 6.2.103. NACE code 4791 – Retail sale of via mail order houses or via internet
- 6.2.104. NACE code 0111 – Growing of cereals (except rice), leguminous crops and oil seeds
- 6.2.105. NACE code 0113 – Growing of vegetables and melons, roots and tubers
- 6.2.106. NACE code 0116 – Growing of fiber crops
- 6.2.107. NACE code 0119 – Growing of other non-perennial crops

- 6.2.108. NACE code 0121 – Growing of grapes;
- 6.2.109. NACE code 0124 – Growing of pome fruits and stone fruits;
- 6.2.110. NACE code 0125 – Growing of other tree and bush fruits and nuts;
- 6.2.111. NACE code 0128 – Growing of spices, aromatic, drug and pharmaceutical crops
- 6.2.112. NACE code 0129 – Growing of other perennial crops;
- 6.2.113. NACE code 0130 – Plant propagation;
- 6.2.114. NACE code 0141 – Raising of dairy cattle;
- 6.2.115. NACE code 0142 – Raising of other cattle and buffaloes;
- 6.2.116. NACE code 0145 – Raising of sheep and goats;
- 6.2.117. NACE code 0146 – Raising of swine/pigs;
- 6.2.118. NACE code 0147 – Raising of poultry;
- 6.2.119. NACE code 0149 – Raising of other animals;
- 6.2.120. NACE code 0150 – Mixed farming (crop growing in combination with farming of livestock)
- 6.2.121. NACE code 0161 – Support activities for crop production;
- 6.2.122. NACE code 0163 – Post-harvest crop activities;
- 6.2.123. NACE code 0164 – Seed processing for propagation;
- 6.2.124. NACE code 1012 – Processing and preserving of poultry meat;
- 6.2.125. NACE code 1091 – Manufacture of prepared feeds for farm animals;
- 6.2.126. NACE code 4621 – Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
- 6.2.127. NACE code 4622 – Wholesale of flowers and plants;
- 6.2.128. NACE code 4623 – Wholesale of live animals;
- 6.2.129. NACE code 4631 – Wholesale of fruit and vegetables;
- 6.2.130. NACE code 4632 – Wholesale of meat and meat products;
- 6.2.131. NACE code 4633 – Wholesale of dairy products, eggs and edible oils and fats;
- 6.2.132. NACE code 4721 – Retail sale of fruit and vegetables in specialized stores;
- 6.2.133. NACE code 4722 – Retail sale of meat and meat products in specialized stores;
- 6.2.134. NACE code 4729 – Other retail sale of food in specialized stores
- 6.2.135. NACE code 8230 – Organization of conventions and trade shows
- 6.2.136. NACE code 3700 – Sewerage
- 6.2.137. NACE code 8559 – Other education n.e.c.
- 6.2.138. NACE code 3600 – Water collection, treatment and supply

CHAPTER III

SHARE CAPITAL. SHARES

Article 7 – Share capital

7.1. The share capital of S.C. Electromagnetica S.A. is 67,603,870.4 lei, fully subscribed and paid up, of which 66,282,631.26 lei in cash and 1,321,239.14 lei in kind, divided into 676,038,704 registered shares of 0.10 lei/share.

7.2. The share capital is held as follows:

Shareholder	No. of shares	Value (lei)	%
Asociatia PAS ELECTROMAGNETICA	211,474,274	21,147,427.4	31.2814
of which in kind	13,212,392	1,321,239.14	-
SIF Oltenia SA	100,611,752	10,061,175.2	14.8825
Individuals	231,229,974	23,122,997.4	34.2037
Legal persons	132,722,704	13,272,270.4	19.6324
TOTAL	676,038,704	67,603,870.4	100

- 7.3. The share capital can be reduced or increased with the approval of the general meeting of shareholders, under the conditions set by law.

Article 8 Shares

- 8.1. The shares of the Company are registered and dematerialised and contain all the elements required by law.
- 8.2. The records regarding the shares are kept by an independent register, i.e., DEPOZITARUL CENTRAL SA , with registered office in Bucharest, str. Fagaras nr 25, sector 1, CUI RO9638020, J40/5890/1997, CNVM Decision authorising operation no. 3567/14.12.2006.

Article 9 – Rights and obligations deriving from shares.

- 9.1. For each share subscribed and paid, shareholders are vested, in accordance with the law, with:
- 9.1.1. the right to one vote in the general meeting of shareholders;
 - 9.1.2. the right to vote and to be elected in the management bodies;
 - 9.1.3. the right to participate in profit distribution, as determined by the general meeting of shareholders.
- 9.2. The holding of shares certifies the shareholder's adhesion to the articles of incorporation.
- 9.3. The rights and obligations relating to shares follow the shares if they are transferred to the ownership of other persons.
- 9.4. The Company's obligations are guaranteed by its social assets and the shareholders are liable within the limit of the value of their shares.
- 9.5. The assets of the Company may not be encumbered by debts or other personal liabilities of the shareholders. A creditor of a shareholder may make claims as to the share of the profits of the Company to be distributed to that shareholder by the general meeting of shareholders, or as to the share due to that shareholder upon the winding-up of the Company effected under the terms of these articles of incorporation.
- 9.6. Shareholders must exercise their rights in good faith, with due regard for the rights and legitimate interests of the Company and of the other shareholders.

Article 10 – Assignment of shares

- 10.1. Shares are indivisible in respect of the Company, which only recognizes one owner per share.
- 10.2. The partial or total assignment of shares between shareholders or third parties is subject to the conditions and procedure laid down by law.
- 10.3. Shareholders may only trade their shares in an organized and legally constituted securities market.

Article 11 – Loss of shareholder certificates

- 11.1. In case of loss of the document certifying the ownership of shares, in order to obtain a duplicate, the shareholder must follow the procedure stipulated by the law.

CHAPTER IV **THE GENERAL MEETING OF SHAREHOLDERS**

Article 12 – Duties

- 12.1. The general meeting of shareholders is the management body of the company as a whole and decides on the Company's business and economic and commercial policy.
- 12.2. The general meetings of shareholders are ordinary or extraordinary and are held at the Company's headquarters and at the place to be indicated in the convening notice.
- 12.3. The ordinary general meeting meets within the time limits set by the capital market legislation, and has the following duties:

- 12.3.1 to discuss, approve or amend the annual financial statements on the basis of the reports submitted by the board of directors and the financial auditor, and to determine the dividend;
 - 12.3.2 to elect and dismiss the members of the board of directors and to determine the directors' appropriate remuneration for the current financial year, as well as other rights
 - 12.3.3 to appoint or dismiss the financial auditor and to determine the minimum duration of the financial audit contract;
 - 12.3.4 to rule on the management of the board of directors;
 - 12.3.5 to establish the revenue budget for the following financial year;
 - 12.3.6 to determine the participation in profit and loss of the company's directors and employees;
 - 12.3.7 to decide to file an action for damages against the directors and financial auditors, with the majority laid down under the law, and to designate the person who is to file such action;
 - 12.3.8 to discuss any other matter mentioned on the agenda and falling under the competence of the general meeting;
 - 12.3.9 to determine the remuneration of directors and other additional rights for the ongoing financial year, which rights shall be specified in the mandate contracts concluded by the directors. The annual gross remuneration and other benefits, including those approved by the general meeting of shareholders under the revenue and expenditure budget and due to directors may not exceed 5% of the amount of equity determined in the annual balance sheet.
- 12.4. The extraordinary general meeting is convened whenever a decision is required to:
- 12.4.1 change the legal form of the Company;
 - 12.4.2 relocate the registered office of the Company;
 - 12.4.3 change the field of activity and the main activity of the Company;
 - 12.4.4 extend the duration of the Company;
 - 12.4.5 increase the share capital;
 - 12.4.6 reduce the share capital or replenish the share capital by issuing new shares;
 - 12.4.7 approve a merger with other companies or the division of the Company;
 - 12.4.8 approve the early dissolution of the Company;
 - 12.4.9 convert registered shares into bearer shares or bearer shares into registered shares;
 - 12.4.10 convert shares of a certain class into another class;
 - 12.4.11 convert a class of bonds into another class of bonds or into shares;
 - 12.4.12 issue bonds;
 - 12.4.13 approve any other amendment to the articles of incorporation or make any other decision in respect of which the approval of the extraordinary general meeting is required.

Article 13 – Convening the general meeting of shareholders

- 13.1 The general meeting of shareholders is convened by the board of directors whenever necessary, the chairperson of the board of directors being authorised to carry out the convening formalities.
- 13.2 Ordinary general meetings are held at least once a year, within the time limit laid down by the capital market legislation.
- 13.3 General meetings are convened by the board of directors at the request of shareholders representing individually or jointly at least 5% of the share capital and in other cases provided for by law, within 30 days at most, and are held within 60 days at most from the date of receipt of such request.
- 13.4 The general meeting is convened by the directors whenever necessary in accordance with the provisions of the articles of incorporation, at least 30 days before the date set for the meeting.
- 13.5 The meeting is convened in accordance with the procedure laid down by law and the date of the meeting cannot be earlier than 30 days after the publication of the convening notice in the Official Gazette of Romania, Part IV. The notice shall also be published in one of the widely distributed newspapers in the locality of the headquarters of the Company or in the nearest locality, as well as on the website of the Company and of the capital market.

- 13.6 The convening notice shall indicate the place and date of the meeting and the agenda, with an explicit indication of all the matters to be discussed at the meeting. Where the appointment of directors is included on the agenda, the convening notice must mention that the list containing information on the names, places of residence and professional qualifications of the persons proposed for the position of directors is available to the shareholders and can be consulted by them.
- 13.7 When the agenda includes proposals for amending the articles of incorporation, the convening notice must contain the full text of such proposals and must comply with the capital market legislation.
- 13.8 One or more shareholders representing, individually or jointly, at least 5% of the share capital have the right to request for new items to be included on the meeting agenda. Such requests shall be submitted to the board of directors not later than 15 days after publication of the convening notice, in order to be published and communicated to the other shareholders.
- 13.9 The agenda as supplemented with the items proposed by shareholders after the convening of the meeting shall be published in accordance with the requirements laid down by law for convening the general meeting, at least 10 days before the date set for the general meeting stated in the original convening notice.
- 13.10 The annual financial statements, the annual report of the board of directors and the proposal on the distribution of dividends shall be made available to the shareholders of the Company from the convening date of the general meeting. Copies of these documents shall be provided to shareholders at their request.
- 13.11 If the Company has its own website, the convening notice and any other item added to the agenda at the request of shareholders shall also be published on the website to enable the free access of shareholders.
- 13.12 Each shareholder may submit written questions concerning the business of the company to the board of directors before the date of the general meeting; these questions shall be answered during the meeting.
- 13.13 The day and time of a second meeting shall be indicated in the convening notice of the first general meeting if the first meeting cannot be held.
- 13.14 The board of directors shall set a reference date for the shareholders entitled to vote at the general meeting, which date shall also remain valid if the general meeting is reconvened because the quorum was not met, in accordance with the capital market legislation.
- 13.15 The conditions for the validity of deliberations and resolutions of the general meeting shall be those laid down by law.

Article 14 – Organization of the general meeting of shareholders

- 14.1. Shareholders may be represented at any general meeting by other shareholders or by third parties on the basis of special powers of attorney. The special powers of attorney shall be available at the Company's headquarters.
- 14.2. Shareholders who do not have the capacity to exercise their rights, as well as legal persons may be represented by their legal representatives who, in turn, may grant other persons powers of attorney to represent them in the general meeting.
- 14.3. The powers of attorney must be submitted in original 48 hours before the meeting, under the penalty of losing the right to vote in that meeting. The powers of attorney shall be retained by the Company, which shall be mentioned in the minutes of the meeting.
- 14.4. Ordinary and extraordinary general meetings shall be legally convened and may adopt resolutions provided that the specific legal provisions in force and the other provisions of the articles of incorporation are observed.
- 14.5. The general meeting of shareholders shall be chaired by the chairperson of the board of directors, or in his/her absence, by a vice-chairman on the basis of a power of attorney given by the chairperson.

- 14.6. The general meeting shall elect from among the shareholders present one to three secretaries, who shall check the list of attendance of shareholders, indicating the share capital represented by each of them, the minutes drawn up by the auditors to establish the number of shares present and the meeting of all the formalities required by law and by the articles of incorporation for the holding of the general meeting.
- 14.7. The minutes of the meeting shall be entered in the register of general meetings. The minutes shall be signed by the person who chaired the meeting and by the secretary who drew it up. The documents relating to the convening of the meeting and the lists of shareholders' attendance shall be attached to the minutes.
- 14.8. Resolutions may not be taken regarding items on the agenda which have not been published in accordance with the provisions of Law No 31/1990, unless all the shareholders were present or represented and none of them opposed or challenged the resolution.

Article 15 – Exercise of the right to vote in the general meeting of shareholders.

- 15.1 The resolutions of general meetings shall be adopted by open vote.
- 15.2 Only the shareholders registered in the register of shareholders of the Company on the date of reference set by the board of directors at the time of convening the general meeting are entitled to attend the meeting and vote in the meeting, after they have proved their identity.
- 15.3 The secret ballot is mandatory for the appointment or dismissal of the members of the board of directors, the appointment or dismissal of the financial auditor and the adoption of resolutions regarding the liability of the administration, management and supervisory bodies of the Company. Within the limits of the law and of these articles of incorporation, a resolution of the general meeting is binding even on the shareholders who did not participate in the general meeting or who voted against the resolution.
- 15.4 In order to be binding on third parties, the resolutions of the general meeting or the decisions/resolutions of the board of directors shall be submitted within 15 days to the Trade Register Office, to be mentioned in the Register and published in the Official Gazette of Romania (Part IV).
- 15.5 The members of the board of directors may not challenge the resolution by which the general meeting decides to revoke them.
- 15.6 The shareholders who did not vote in favour of a resolution of the general meeting have the right to withdraw from the Company and to request the Company to acquire their shares only if the purpose of that resolution of the general meeting is:
 - a) to change the main object of activity;
 - b) to relocate abroad the registered office of the Company;
 - c) to change the form of the Company;
 - d) to approve the merger or division of the Company;

The right of withdrawal may be exercised:

- a) within 30 days from the date of publication of the resolution of the general meeting in the Official Gazette of Romania, Part IV, in the cases referred to in letters (a) to (c);
- b) from the date of adoption of the resolution of the general meeting, in the case referred to in letter (d).

The shareholders shall submit at the registered office of the Company, together with the written declaration of withdrawal, the shares they hold, or, as applicable, the certificate of shareholder.

The price paid by the Company for the shares of a shareholder who exercises the right of withdrawal shall be determined by an independent expert as an average amount resulting from the application of at least two valuation methods recognized by the legislation in force at the time of the valuation. The expert shall be appointed by the delegated judge, at the request of the board of directors.

CHAPTER V
THE BOARD OF DIRECTORS

Article 16 – Organisation

16.1. The Company is managed under the one-tier system by a board of directors composed of 7 temporary and revocable directors, elected by the general meeting of shareholders, the majority of the members of the board being non-executive directors (who have not been appointed as managing directors), elected for a period of 4 years

The directors of ELECTROMAGNETICA SA whose term of office runs until 18 October 2023 are:

- **SCHEUSAN EUGEN**, personal identification number (CNP) 1540514400464, Romanian citizen, domiciled in Bucharest, 3 Dr. Louis Pasteur Street, district 5, born on 14 May 1954 in Bucharest, son of Gheorghe (father) and Mariana (mother), identified with the identity card (CI) series RK no. 170466 /24.07.2018 issued by SPCEP Sector 5 - term of office until 18.10.2023, having obtained 438,611,940 “In favour” votes;
- **MACOVEI OCTAVIAN**, CNP 1500411400240, Romanian citizen, son of Ioan (father) and Domnica (mother), born in Geoagiu, Hunedoara County, domiciled in Bucharest, 64F Bulgarus Street, District 5, identified with CI series DP no. 127649/10.01.2008 issued by I.N.E.P – term of office until 18.10.2023, having obtained 436,340,800 “In favour” votes;
- **-STANCU TRAIAN**, CNP 1530323400568, Romanian citizen, domiciled in Bucharest, str Ghinea Bratvanu nr. 13, sector 2, born on 23 March 1953 in Licuriciu commune, Teleorman County, son of Ganea (father) and Elena (mother), identified with CI series VP no. 000035/20.12.2011 issued by DEPABD - term of office until 18.10.2023, having obtained 430,139,628 “In favour” votes;
- **STANCU IOAN**, CNP 1501120400374, Romanian citizen, domiciled in Popesti – Leordeni, 1B Rosiori Street, Ilfov County, born on 20 November 1950 in Popesti Leordeni, Ilfov County, son of Pavel (father) and Caterina (mother), identified with B.I. series IF no. 150079/07.06.2007 issued by SPCLEP Jilava – term of office until 18.10.2023, having obtained 436,335,814 “In favour” votes;
- **HODEA CRISTINA-IOANA-RODICA**, Romanian citizen, CNP 2631116400415, born on 16 November 1963 in Negresti, Satu Mare County, daughter of Ioan (father) and Lucia (mother), domiciled in Bucharest, 324 Pantelimon Road, building D1, entrance A, floor 5, apartment 23, District 2, identified with CI series RR no. 849560 / 16.11.2011, issued by SPCLEP Sector 2 – term of office until 18.10.2023, having obtained 409,322,742 “In favour” votes;
- **BUSU CRISTIAN**, CNP 1790224131251, identified with CI series KZ no. 492675 issued by SPCLEP Agigea/06.03.2018, domiciled in Agigea village, Agigea commune, 6 Paltinului Street, Constanta County, **temporary director**, with term of office from 25 September 2021 and until the date of the general meeting of shareholders that will appoint a director in the vacant position following resignation;
- **ZOESCU MIHAI**, CNP 1791021341755, identified with CI series RK no. 628142 issued by SPCLEP Sector 4/16.10.2020, domiciled in Bucharest, District 4, 168 Spl Unirii, building 72, entrance 1, floor 2, apartment 202, **temporary director**, with term of office from 25 September 2021 and until the date of the general meeting of shareholders that will appoint a director in the vacant position following resignation.

16.2. The directors shall be appointed by the ordinary general meeting of shareholders and may be re-elected. The individual employment contracts of the directors who were appointed from among the employees of the Company shall be suspended during their term of office.

16.3. The composition of the board of directors shall reflect as closely as possible the participation in the share capital.

16.4. The members of the board of directors shall take out professional liability insurance.

16.5. Candidates for the positions of directors shall be nominated by the current members of the board of directors or by the shareholders.

- 16.6. In case of a vacancy in the board of directors, the procedure laid down by the legal provisions in force shall be followed. The term for which the new director is elected to fill the vacancy shall be equal to the time remaining until the expiry of the term of office of his/her predecessor.
- 16.7. Persons who are legally unable to perform the duties of this function are incompatible with the capacity of member of the board of directors.
- 16.8. The board of directors shall be managed by a chairperson elected by the members of the board of directors; the chair of the board shall also be the general director. The chairperson shall be appointed for a period which may not exceed his/her term of office as director. The chairperson may be revoked by the board of directors at any time.
- 16.9. In its first meeting, the board of directors shall elect a chairperson from among its members.
- 16.10. If the chairperson is temporarily unable to exercise his/her duties, the board of directors shall entrust the duties of the chairperson to another director to be performed during the period of such inability.
- 16.11. The board of directors shall meet at the Company's headquarters whenever necessary, but at least once a month, the remuneration being paid monthly:
 - a) when convened by the chairperson,
 - b) at the request of at least 2 members of the board, indicating the reasons;The board shall be chaired by the chairperson.
The chairperson shall appoint a secretary by decision, either from among the members of the board, or from outside the board.
- 16.12. If the board of directors is convened by the chairperson of the board, he/she shall draw up the agenda, inform the members of the board of the items on the agenda and preside the meeting. Where the convening notice has been issued in accordance with Article 16.11 letter (b), the agenda shall be drawn up by the members of the board who requested the meeting.
- 16.13. In order to be valid, the adopted decisions shall require the presence of at least half of the members of the board. Decisions shall be taken by the vote of the majority of the members participating in person or by representative or by vote by correspondence (by e-mail or fax).
- 16.14. In exceptional cases justified by the urgency of the situation and the interests of the Company, the decisions of the board of directors may be taken by a unanimous vote expressed in writing by the board members, without the need for a meeting of the board of directors.
- 16.15. The proceedings of the board shall take place in accordance with the agenda drawn up on the basis of the draft communicated by the chairperson not later than 5 days in advance. The proceedings shall be recorded in the minutes of the meeting, which shall be entered in a register by the chair of the board of directors. The minutes shall be signed by the person who chaired the meeting, by the secretary and at least by another director.
- 16.16. The directors and internal auditors may be convened at any meeting of the board, in which case their attendance is mandatory. They shall not have the right to vote, except for the managing directors who are also members of the board of directors.
- 16.17. The board of directors is responsible for carrying out all the necessary and useful acts for the performance of the business of the Company, except those reserved under the law for the general meeting of shareholders.
- 16.18. The board of directors shall delegate the management of the Company to a number of managing directors determined under a decision of the board.
- 16.19. The board of directors may revoke the managing directors at any time.
- 16.20. The board of directors shall register with the Trade Register the names of the persons authorised to represent the Company, indicating whether they are acting together or separately. These persons shall submit specimen signatures to the Trade Register.
- 16.21. The board of directors may delegate powers to act on limited matters to one or more of its members and may designate experts to study certain matters.
- 16.22. The general director represents the Company in relation to third parties. The general director may only delegate the power of representation to employees holding a management position, or to the managing directors, respectively.

- 16.23. The chairperson of the board of directors shall make extracts from the registers available to the shareholders and the financial auditor, at their request.
- 16.24. The chairperson and the members of the board of directors shall be liable, individually or jointly, as applicable, toward the Company for any damage resulting from criminal offences or breaches of the legal provisions or of the articles of incorporation or for mistakes in the management of the Company. In such cases, they may be revoked by a resolution of the general meeting of shareholders.
- 16.25. Each member of the board of directors and managing director shall be insured for professional liability, the insurance costs being borne by the Company. The insurance level and the insured amounts shall be established under the annual budget.
- 16.26. Representatives of the trade union shall be invited to the meetings of the board of directors in which matters related to the professional, economic, social or cultural interests of the employees are discussed.
- 16.27. For their activity, the directors shall receive a monthly remuneration approved by the general meeting of shareholders, as well as other rights established by the general meeting.
- 16.28. Directors shall be jointly and severally liable to the Company for:
 - 16.28.1. the reality of the payments made by the shareholders;
 - 16.28.2. the actual existence of the paid dividends;
 - 16.28.3. the existence of the records required by law and their correct keeping;
 - 16.28.4. the exact fulfilment of the resolutions of general meetings;
 - 16.28.5. the strict performance of the duties imposed by the law and the articles of incorporation.
- 16.29. Directors may be represented in the meetings of the board only by other directors, under a special power of attorney.

Article 17 – Duties of the Board of Directors

- 17.1. The Board of Directors has the following main obligations:
 - 17.1.1. to appoint and dismiss the directors to whom powers of management of the Company have been delegated based on the proposal of the general director, establishing their rights, duties and remuneration;
 - 17.1.2. to approve the organizational structure of the Company;
 - 17.1.3. to approve the taking-up of medium- and long-term bank loans and other guarantees necessary for this purpose, pledges and mortgages for bank letters of guarantee, and other similar operations within the limit set by the capital market legislation;
 - 17.1.4. to be responsible for the implementation of the revenue and expenditure budget by proposing the updating thereof to the general meeting of shareholders;
 - 17.1.5. to approve the incurring of irrecoverable claims, justified increases, unforeseeable circumstances, force majeure, etc.;
 - 17.1.6. to approve sponsorship contracts;
 - 17.1.7. to approve restructuring, reorganization, modernization, development programs, etc.;
 - 17.1.8. to approve the disposal of fixed assets, finished products, raw materials and available materials for justified reasons, as well as of other goods, except for those within the competence of the general meeting;
 - 17.1.9. to approve the depreciation method;
 - 17.1.10. to approve the sale of fixed assets, except for units and sub-units which operate independently, and land;
 - 17.1.11. to approve the mandate to negotiate the collective bargaining agreement;
 - 17.1.12. to analyse and approve rental contracts, except for those within the competence of the general meeting;
 - 17.1.13. to review periodically the status of implementation of the quality, environment, and health and safety at work systems and their effectiveness, and to approve, through its chairperson, the plans aimed at their improvement;

- 17.1.14. to submit annually to the general meeting of shareholders, within 5 months of the end of the financial year, the report on the Company's activity, the financial statements for the preceding year, the distribution of the net profit, the draft activity plan and the draft income and expenditure budget of the Company for the current year;
 - 17.1.15. to approve the guarantees and the form of establishment thereof for the persons who act as managers;
 - 17.1.16. to convene the general meeting of shareholders whenever necessary;
 - 17.1.17. to resolve any other matters entrusted to them by the general meeting of shareholders, as provided for by the laws in force;
 - 17.1.18. to decide, within the limits set by the general meeting, whether the Company's general director, managing directors and employees may receive incentives in proportion to the profit achieved, as determined by the annual financial statements, as a result of direct measures taken by them;
 - 17.1.19. to approve the change of the Company's object of activity, except for the main field of activity.
- 17.2. The powers of the board of directors that may not be delegated to managing directors are:
- a) the power to establish the main direction of activity and development of the Company;
 - b) the power to define the accounting and financial control system and to approve the financial planning;
 - c) the power to appoint and dismiss the managing directors and to determine their remuneration;
 - d) the power to supervise the activity of the managing directors;
 - e) the preparation of the annual report, the organisation of the general meeting of shareholders and the implementation of the general meeting resolutions;
 - f) the filing of a request for the opening of insolvency proceedings, in accordance with Law no. 85/2006 on insolvency proceedings;
 - g) any other powers entrusted by the general meeting of shareholders.
- 17.3. The members of the board of directors must attend the general meetings of shareholders.
- 17.4. At least 30 days before the date set for the general meeting of shareholders, the board of directors must submit to the internal auditors and to the financial auditors the annual financial statements for the preceding financial year, together with their report and supporting documents.

CHAPTER VI **MANAGING DIRECTORS**

Article 18

- 18.1. The managing directors ensure the management of the Company, the number of managing directors being determined by the board of directors.
- 18.2. The general meeting of shareholders delegates the management of the Company to a general director, who is also the chairperson of the board of directors. If the general director is appointed from among the employees of the company, his/her individual employment contract with the company shall be suspended during his/her term of office.
- 18.3. The board of directors delegates a part of its powers to one or more managing directors, in addition to the chairperson of the board of directors - general director, under mandate contracts, determining their duties and remuneration. During the performance of their mandates, the individual employment contracts of the managing directors appointed from among the employees shall be suspended.
- 18.4. The board of directors may revoke at any time the persons appointed as managing directors.
- 18.5. The managing directors, as well as all the members of the board of directors, are liable to the Company for the acts of directors or employees where the damage would not have occurred had they exercised the supervision required by the duties of their office.

- 18.6. The managing directors must notify the board of directors of any irregularities found in the performance of their supervisory duties.
- 18.7. The managing directors shall be liable to the Company and to third parties for the performance of their duties, in accordance with legal provisions.
- 18.8. The managing directors may only delegate their powers with the approval of the general director.
- 18.9. The managing directors shall be responsible for taking all measures relating to the management of the Company, within the limits of the Company's object of activity and in compliance with the exclusive powers reserved by law for the board of directors and the general meeting of shareholders.
- 18.10. The managing directors shall be responsible for taking all measures relating to the management of the Company, within the limits of the Company's object of activity and in compliance with the exclusive powers reserved by law or the articles of incorporation for the board of directors and the general meeting of shareholders.
- 18.11. The activity of the managing directors shall be determined by decision of the board of directors.
- 18.12. The managing directors shall keep the board regularly and comprehensively informed of the operations undertaken and those envisaged and of any irregularities found in the performance of their duties.
- 18.13. The remuneration of the members of the board of directors shall be determined by a resolution of the general meeting of shareholders. The remuneration of the managing directors shall be determined by the board of directors.
- 18.14. The powers provided for in Article 17.1.4 are delegated to the managing directors.
- 18.15. The employees of the Company are hired or dismissed by the general director or by his/her representative.

CHAPTER VII

COMPANY ACTIVITY

Article 19 – Financial year

- 19.1. The financial year begins on 1 January and ends on 31 December of each year. The first financial year begins on the date of incorporation of the Company.

Article 20 – Accounting records and balance sheet

- 20.1. The Company shall keep the accounting records in Romanian and in the national currency, according to the legislation in the field, and shall draw up the financial statements taking into account the legislation in force.
- 20.2. The financial statements drawn up under the law shall be approved by the general meeting of shareholders and shall be published in the Official Gazette of Romania, according to the law.
- 20.3. The distribution of profit shall be approved by the general meeting of shareholders.

Article 21 – Profit calculation and distribution

- 21.1. The Company's directors and employees may be distributed up to 10% of the profit.
- 21.2. The directors and the managing directors may be allocated a share of up to 25% of the net profit achieved in addition to the provisions of the defined budget.
- 21.3. At least 5% shall be reserved each year from the Company's profit in order to establish the reserve fund, until this fund reaches at least a fifth of the share capital. If the reserve fund, after its establishment, has decreased for any reason, it shall be completed in accordance with the preceding paragraph. The reserve fund shall also include, even if it has reached the amount referred to in the first paragraph, the excess obtained from the sale of shares at a rate higher than their nominal value if such excess is not used to pay the issue or write-down expenses. In all cases, the terms of participation shall be determined by the general meeting for each financial year.

Article 22 – Records of the Company

22.1. The Company shall keep the records provided for by law.

Article 23 – Internal audit and financial audit

- 23.1. The Company shall be audited by a financial auditor, who may be a natural or a legal person, under the conditions laid down by law.
- 23.2. The Company shall organize the internal audit according to the rules issued by the Romanian Chamber of Financial Auditors, and the board of directors shall determine the manner in which the internal audit activity is organized and functions.
- 23.3. Financial auditors shall be elected by the ordinary general meeting of shareholders for a period of at least 1 year.
- 23.4. The financial auditor shall inform the members of the board of directors if any irregularities in the management activity or breaches of the legal provisions and of the articles of incorporation are found.
- 23.5. The report of the financial auditor shall remain at the Company's headquarters during the 15 days prior to the general meeting, to be consulted by shareholders.

CHAPTER VIII **PARTNERSHIPS**

Article 24

Companies of the same sector of activity or of other sectors, in the country or abroad, may associate with the Company under partnership agreements concluded under the conditions laid down by law and by these articles of incorporation.

Article 25

Partnership agreements shall be approved by the board of directors of the Company, subject to confirmation by the extraordinary general meeting of shareholders.

Article 26

The terms of a partnerships throughout its duration, as well as the terms of withdrawal shall be stipulated in the partnership agreements, in accordance with the law.

CHAPTER IX **CHANGE IN LEGAL FORM. DISSOLUTION. LIQUIDATION. DISPUTES**

Article 27 – Change of legal form

- 27.1. The Company may be transformed into another form of company by resolution of the general meeting of shareholders.
- 27.2. The Company shall carry out the legal registration and publicity formalities required by the legislation in force.

Article 28 – Dissolution of the Company

- 28.1. The following circumstance shall lead to the dissolution of the Company:
- 28.1.1. the impossibility to achieve the object of activity of the Company;
 - 28.1.2. the resolution of the general meeting;
 - 28.1.3. bankruptcy;
 - 28.1.4. the loss of half of the share capital after the reserve fund has been used, if the general meeting of shareholders does not decide to replenish the capital or to reduce it to the remaining amount;
 - 28.1.5. the number of shareholders falls below 2, for at most 9 months;

- 28.1.6. at the request of any shareholder, if circumstances of force majeure and their consequences last for more than 8 months and the general meeting of shareholders finds that the functioning of the Company is no longer possible;
- 28.1.7. in any other circumstances, on the basis of a resolution of the general meeting of shareholders adopted unanimously.
- 28.2. The dissolution of the Company shall be registered with the Trade Register and shall be published in the Official Gazette.

Article 29 – Liquidation of the Company

- 29.1. In the event of dissolution, the Company shall be liquidated.
- 29.2. The liquidation of the Company and the distribution of assets and liabilities shall be carried out in accordance with the procedure laid down by law.

Article 30 – Disputes

- 30.1. The disputes of the Company with Romanian or foreign natural or legal persons fall under the jurisdiction of the Romanian courts of law.

**Chairman of the Board of Directors
Eugen Scheuşan**