

ARTICLES OF INCORPORATION OF ELECTROMAGNETICA S.A.

Updated on September 14, 2017

CHAPTER 1

NAME. LEGAL FORM. HEADQUARTERS. DURATION

Article 1 – Name of the company

- 1.1. The name of the company is “ELECTROMAGNETICA” SA trading company.
- 1.2. In every paper, invoice, order, offer, rate, prospect, ad, publication and any other documents issued by the company, the name of the company shall be preceded or followed by the “joint-stock company” or by the SA initials, by the subscribed and paid share capital, the company’s headquarters, the registration number issued by the Trade Registry and the Sole Identification Code.
- 1.3. The company logo shall be the trademark registered with the State Office for Inventions and Trademarks according to the Certificate no. 32832/ June 28, 1997, having the following description: The trademark is represented by the company’s name, written with capital letters, of white colour embroidered with blue, the letter “O” is represented through a white circle embroidered with blue, inside of which is the Earth globe with meridians and parallels and some of the continents.

Article 2 – Legal form of the company

- 2.1. The company “ELECTROMAGNETICA SA”, hereinafter the company, is a Romanian legal person, having the legal form of joint-stock company and it is an open trading company.
- 2.2. The company operates according to the Romanian law and the Article of Incorporation hereby.

Article 3 – The headquarters of the company

- 3.1. The headquarters of the company is in Romania, Bucharest city, 266-268 Rahovei Street, Sector 5. The headquarters of the company can be changed anywhere in Romania, according to the General Meeting of Shareholders’ decision, according to the law.
- 3.2. In order to achieve the object of the activity, the company may open other subsidiaries, branches, branch offices, agencies, located in other cities in Romania or abroad, according to the General Meeting of Shareholders’ decision, according to the law.
- 3.3. The ELECTROMAGNETICA SA company holds units without legal personality the following:
 1. The Special Production Prototype Department located in 101 Chirca Street, Varteju Village, Magurele city, Ilfov county – where it carries out the activity described by 2651 NACE code - Manufacture of instruments and appliances for measurement, checking, control, navigation.
 2. The “CASATEL” retail store, located in 266-268 Rahovei Street, sector 5, Bucharest, where it carries out the activity described by 4754 NACE code - Retail sale of electrical household appliances and articles in specialized stores.

3. The sports facility, located in 19 Veseliei Street, sector 5, Bucharest, where it carries out the activity described by 9311 NACE code – Activities with sports facilities.
4. Galanesti low power hydroelectric plant – Bilca 1 – located on Suceava river, Bilca village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
5. Galanesti low power hydroelectric plant – Bilca 2 – located on Suceava river, Bilca village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
6. Galanesti low power hydroelectric plant – Bilca 3 – located on Suceava river, Bilca village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
7. Tibeni low power hydroelectric plant - located on Suceava river, in Satu Mare village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
8. Brodina 1 low power hydroelectric plant – located on Brodina river, Brodina village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
9. Brodina 2 low power hydroelectric plant – located on Brodina river, Brodina village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
10. Sadau low power hydroelectric plant – located on Sadau river, Sadau village, Brodina village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
11. Ehreste low power hydroelectric plant – located on Brodina River, Brodina village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
12. Putna low power hydroelectric plant – located on Putnisoara River, Putna village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production
13. Brodina de Jos low power hydroelectric plant – located on Brodina River, Brodina village, Suceava county, where it carries out the activity described by 3511 NACE code - Electricity production

Article 4 – Duration of the company

- 4.1. The duration of the company is unlimited, starting with the date of its registration in the Trade Registry.

CHAPTER 2

THE PURPOSE AND OBJECT OF THE COMPANY

Article 5 – The purpose of this company is to perform under efficient conditions the activities that are the object of its activity.

Article 6 – FIELD AND OBJECT OF THE COMPANY

6.1. **The main field activity is 265 NACE code - Manufacture of instruments and appliances for measurement, checking, control, navigation; production of watches and the main activity is 2651 NACE code - Manufacture of instruments and appliances for measurement, checking, control, navigation**

6.2. Object of the company

- 6.2.1. 1624 NACE code - Manufacture of wooden packaging
- 6.2.2. 1629 NACE code - Manufacture of other wooden products; Manufacture of articles of cork, straw and plaiting materials
- 6.2.3. 2229 NACE code - Manufacture of other plastic products
- 6.2.4. 2453 NACE code - Casting of light non-ferrous metals
- 6.2.5. 2511 NACE code - Manufacture of metal structures and parts of structures of metal
- 6.2.6. 2512 NACE code - Manufacture of metal doors and windows
- 6.2.7. 2529 NACE code - Production of tanks, reservoirs and metal containers
- 6.2.8. 2561 NACE code - Treatment and coating of metals
- 6.2.9. 2562 NACE code - General mechanics operations
- 6.2.10. 2573 NACE code - Manufacture of tools
- 6.2.11. 2594 NACE code - Manufacture of screws, bolts and other threaded articles; manufacture of rivets and washers
- 6.2.12. 2599 NACE code - Manufacture of other articles of metal
- 6.2.13. 2825 NACE code - Manufacture of ventilation and refrigeration equipment, except domestic appliances
- 6.2.14. 2824 NACE code - Manufacture of electrically powered portable tools
- 6.2.15. 2841 NACE code - Manufacture of metal-working machinery and equipment
- 6.2.16. 2849 NACE code - Manufacture of other machine tools
- 6.2.17. 2896 NACE code - Manufacture of machinery for the processing of plastics and rubber
- 6.2.18. 2751 NACE code - Manufacture of home appliances
- 6.2.19. 2752 NACE code - Manufacture of non-electrical domestic appliances
- 6.2.20. 2711 NACE code - Manufacture of motors, generators and transformers
- 6.2.21. 2712 NACE code - Manufacture of electricity distribution and control apparatus
- 6.2.22. 2931 NACE code - Manufacture of electrical and electronic equipment for motor vehicles and motor vehicles
- 6.2.23. 2790 NACE code - Manufacture of other electrical equipment
- 6.2.24. 2611 NACE code - Manufacture of electronic subassemblies (modules)
- 6.2.25. 2630 NACE code - Manufacture of communication equipment
- 6.2.26. 3250 NACE code – Manufacture of medical and dental instruments, devices and apparatus
- 6.2.27. 3320 NACE code - Installation of machinery and industrial equipment

- 6.2.28. 2670 NACE code - Manufacture of optical instruments and photographic equipment
- 6.2.29. 3240 NACE code - Manufacture of games and toys
- 6.2.30. 3213 NACE code - Manufacture of imitation jewellery and similar articles
- 6.2.31. 3831 NACE code - Dismantling (disassembling) end-of-life machines and equipment for material recovery
- 6.2.32. 3513 NACE code - Electricity distribution
- 6.2.33. 3514 NACE code - Electricity trading
- 6.2.34. 4311 NACE code - Construction demolition work
- 6.2.35. 4222 NACE code - Construction work for utility projects for electricity and telecommunications
- 6.2.36. 4299 NACE code - Construction work for other engineering projects
- 6.2.37. 4391 NACE code – Roofing, covering and terraces in construction works
- 6.2.38. 4321 NACE code - Electrical works
- 6.2.39. 4322 NACE code - Plumbing, heating and air-conditioning works
- 6.2.40. 4329 NACE code - Other types of installation in construction works
- 6.2.41. 4331 NACE code - Plaster works
- 6.2.42. 4332 NACE code - Carpentry and joinery works
- 6.2.43. 4333 NACE code - Floor and wall plating works
- 6.2.44. 4334 NACE code - Dyeing, painting and glazing works
- 6.2.45. 4339 NACE code - Other finishing work
- 6.2.46. 4399 NACE code - Other special construction works
- 6.2.47. 4511 NACE code - Trade with cars and light motor vehicles (under 3.5 tons)
- 6.2.48. 4531 NACE code - Wholesale of motor vehicle parts and accessories
- 6.2.49. 4619 NACE code - Agents involved in the sale of various products
- 6.2.50. 4643 NACE code - Wholesale of household electrical appliances, radio and TVs
- 6.2.51. 4644 NACE code - Wholesale of ceramic, glassware, and maintenance products
- 6.2.52. 4671 NACE code - Wholesale of solid, liquid and gaseous fuels and of derived products
- 6.2.53. 4673 NACE code - Wholesale of wood and construction materials and sanitary equipment
- 6.2.54. 4674 NACE code - Wholesale of ironing equipment and supplies for sanitary and heating installations
- 6.2.55. 4675 NACE code - Wholesale of chemical products
- 6.2.56. 4676 NACE code - Wholesale of other intermediate products

- 6.2.57. 4677 NACE code - Wholesale of waste and scrap
- 6.2.58. 4663 NACE code - Wholesale of machinery for mining and construction
- 6.2.59. 4690 NACE code - Non-specialized wholesale trade
- 6.2.60. 4711 NACE code - Retail sale in non-specialized stores, with predominant sales of food, beverages and tobacco
- 6.2.61. 4719 NACE code - Retail sale in non-specialized stores, with predominantly non-food products
- 6.2.62. 4754 NACE code - Retail sale of electrical household appliances and articles in specialized stores
- 6.2.63. 4752 NACE code - Retail sale of articles of ironmongery, of glass and of dyeing, in specialized stores
- 6.2.64. 4762 NACE code - Retail sale of newspapers and stationery in specialized stores
- 6.2.65. 4742 NACE code - Wholesale of clothing and footwear
- 6.2.66. 4799 NACE code - Retail trade outside the stores, stands, kiosks and markets
- 6.2.67. 9521 NACE code - Repairing of electronic household appliances
- 6.2.68. 5610 NACE code – Restaurants
- 6.2.69. 5629 NACE code - Other food services
- 6.2.70. 4939 NACE code - Other land transport of passengers
- 6.2.71. 4941 NACE code - Freight transport by road
- 6.2.72. 5529 NACE code – Other transport activities
- 6.2.73. 6190 NACE code - Other telecommunications activities
- 6.2.74. 6499 NACE code – Other financial intermediation
- 6.2.75. 6612 NACE code – Intermediation activities of financial transactions
- 6.2.76. 4110 NACE code - Real estate development (promotion)
- 6.2.77. 6810 NACE code - Buying and selling of own real estate
- 6.2.78. 6820 NACE code - Renting and sub-leasing of own or leased real estate
- 6.2.79. 7739 NACE code - Renting and leasing of other machinery, equipment and tangible goods (hire / rental)
- 6.2.80. 5829 NACE code - Other software editing activities
- 6.2.81. 6201 NACE code - Custom software execution activities (customer-oriented software)
- 6.2.82. 6202 NACE code - IT consultancy activities
- 6.2.83. 6203 NACE code - Management activities (management and exploitation) of computing
- 6.2.84. 6311 NACE code - Data processing, web page administration and related activities

- 6.2.85. 5819 NACE code - Other publishing activities
- 6.2.86. 7219 NACE code - Research and development in other natural sciences and engineering
- 6.2.87. 7320 NACE code - Market research and public opinion polling activities
- 6.2.88. 7022 NACE code - Business and management consultancy activities
- 6.2.89. 7112 NACE code - Engineering activities and technical consultancy related thereto
- 6.2.90. 8220 NACE code - Call center activities
- 6.2.91. 8425 NACE code - Firefighting and fire prevention activities
- 6.2.92. 8510 NACE code - Pre-school education
- 6.2.93. 8559 NACE code – Other type of education
- 6.2.94. 8623 NACE code – Dental assistance activities
- 6.2.95. 8690 NACE code – Other activities related to human health
- 6.2.96. 9412 NACE code - Activities of professional organizations
- 6.2.97. 9311 NACE code - Sports facilities activities
- 6.2.98. 3511 NACE code – Electricity production
- 6.2.99. 3313 NACE code - Repair of electronic and optical equipment
- 6.2.100. 2740 NACE code - Manufacture of lighting equipment
- 6.2.101. 7120 NACE code - Testing and technical analysis activities
- 6.2.102. 8299 NACE code - Other support activities for enterprises
- 6.2.103. 4791 NACE code - Retail by order houses or via the Internet
- 6.2.104. 0111 NACE code - Cultivation of cereals (excluding rice), leguminous plants and oleaginous plants
- 6.2.105. 0113 NACE code - Cultivation of vegetables and melons, roots and tubers
- 6.2.106. 0116 NACE code - Cultivation of plants for textile fibers
- 6.2.107. 0119 NACE code - Cultivation of other non-permanent crops
- 6.2.108. 0121 NACE code - Cultivation of grapes
- 6.2.109. 0124 NACE code – Cultivation of seeds and group of plants whose fruits have seeds
- 6.2.110. 0125 NACE code - Growing fruit of berries, strawberries, nuts and other fruit trees
- 6.2.111. 0128 NACE code - Cultivation of spices, aromatic plants, medicinal plants and pharmacies
- 6.2.112. 0129 NACE code - Cultivation of other permanent plants
- 6.2.113. 0130 NACE code - Cultivation of plants for propagation
- 6.2.114. 0141 NACE code - Breeding of dairy cattle

- 6.2.115. 0142 NACE code – Breeding of other cattle
- 6.2.116. 0145 NACE code – Breeding sheep and goats
- 6.2.117. 0146 NACE code – Breeding pigs
- 6.2.118. 0147 NACE code – Breeding birds/ chicken
- 6.2.119. 0149 NACE code – Breeding other animals
- 6.2.120. 0150 NACE code - Activities in mixed farms (plant culture combined with livestock breeding)
- 6.2.121. 0161 NACE code – Auxiliary activities for crop production
- 6.2.122. 0163 NACE code - Activities after harvesting
- 6.2.123. 0164 NACE code - Seed preparation for insemination
- 6.2.124. 1012 NACE code - Processing and preserving of poultry meat
- 6.2.125. 1019 NACE code – Preparing the food for farm animals
- 6.2.126. 4621 NACE code - Wholesale of grain, seeds, feed and unprocessed tobacco
- 6.2.127. 4622 NACE code - Wholesale of flowers and plants
- 6.2.128. 4623 NACE code - Wholesale of live animals
- 6.2.129. 4631 NACE code - Wholesale of fruits and vegetables
- 6.2.130. 4632 NACE code - Wholesale of meat and meat products
- 6.2.131. 4633 NACE code - Wholesale of dairy products, eggs, edible oils and fats
- 6.2.132. 4721 NACE code - Retail of fresh fruit and vegetables in specialized shops
- 6.2.133. 4722 NACE code - Retail of meat and meat products in specialized shops
- 6.2.134. 4729 NACE code - Retail sale of other food products in specialized stores
- 6.2.135. 8230 NACE code - Organization of exhibitions, fairs and congresses
- 6.2.136. 3700 NACE code - Collection and treatment of wastewater
- 6.2.137 8559 NACE code - Other forms of education

CHAPTER 3

SHARE CAPITAL. SHARES

Article 7 – Share capital

7.1. The share capital of Electromagnetica S.A. is of 67,603,870.4 lei, fully subscribed and paid, out of which 66,282,631.23 lei in cash and 1,321,239.14 lei equity in kind, divided in 676,038,704 nominated shares worth 0.10 lei/share.

7.2. The share capital is held in the following way:

Share holder	No. of shares	Value (lei)	%
---------------------	----------------------	--------------------	----------

PAS ELECTROMAGNETICA Association Equity in kind	211,474,274 13,212,392	21,147,417.4 1,321,239.14	31.2814 -
SIF Oltenia SA	100,611,752	10,061,175.5	14.8825
Individuals	231,229,974	23,122,977.4	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 may be reduced or increased with the approval of the General Meeting of Shareholders under the conditions set forth by law.

Article 8 – The shares

8.1. The company's shares are nominative and dematerialized, including all the elements provided by the law.

8.2. The record of the shares is kept by an independent register, namely at DEPOZITARUL CENTRAL SA with the headquarters in Bucharest, 25 Fagaras Street, sector 1, Sole Registration Code RO 9638020, J40/5890/1997, The National Securities Commission's Operating Decision no. 3567/ December 14, 2006.

Article 9 - Rights and obligations arising from shares

9.1. Every share subscribed and paid by the shareholders, according to the law, offers them:

9.1.1. The right to one vote to the General Meeting of Shareholders;

9.1.2. The right to vote and be voted in the management departments;

9.1.3. The right to participate in the distribution of the profit, according to the GMS decision.

9.2. Ownership of the share certifies the right of acquittal to the Articles of Incorporation.

9.3. The rights and obligations related to the shares follow the shares in case these are being transferred in the property of others.

9.4. The obligations of the company are guaranteed by its social patrimony, and shareholders are held responsible within the limits of the values of the share they own.

9.5. The company's patrimony cannot be burdened with debts or other personal obligations of the shareholders. A creditor of a shareholder may make claims on the share of the company's profits to be distributed by the general meeting of shareholders or on its share of the due shareholder's shares at the liquidation of the company, performed under the terms of this articles of incorporation.

9.6. The shareholders must exercise their rights in good faith, by respecting the legitimate rights and interests of the company and the rights of other shareholders.

Article 10 – Assignment of shares

10.1. The shares are indivisible with regard to the company, which knows only one owner for each share.

10.2. Partial or total assignment of the shares is made under the conditions and following the procedure provided by law.

10.3. The shareholders can only trade their shares on an organized and legally established securities market.

Article 11 - Loss of shareholder certificates

11.1. In case of loss of the shareholder certificates which proves ownership of the shares, in order to obtain the duplicate copy, the shareholder has to follow the procedure provided by law.

CHAPTER 4

GENERAL MEETING OF SHAREHOLDERS

Article 12 – Duties

12.1. The General Meeting of Shareholders is the management body of the company in its integrity, which decides upon its activity and its economic and commercial policies.

12.2. The General Meetings of Shareholders are ordinary and extraordinary and shall take place at the company's headquarters and at the location that will be indicated in the convocation.

12.3. The ordinary meeting of shareholders occurs to discuss within the term set by the capital market and has the following obligations:

12.3.1. to discuss, approve or modify the annual financial statements based on the reports made by the board of directors and financial auditor and to set the dividend;

12.3.2. to choose and to revoke members of the board of directors, to set the remuneration of the directors' ongoing position;

12.3.3. to appoint and to dismiss the financial auditor and to fix the minimum duration of the financial audit contract;

12.3.4. to decide on the on the management of the board of directors;

12.3.5. to set the income budget for the following financial exercise;

12.3.6. to determine the participation in the profit and loss of the company's administrators and staff;

12.3.7. to decide the responsibility action against the administrators and the financial auditors, with the majority provided by the law, by designating a person in charge with exercising it;

12.3.8. to discuss any other matter included in the agenda, which is the competence of the general meeting;

12.3.9. to decide upon the administrator's remuneration, as well as other additional rights for their current position, rights that shall be stipulated in the mandate contract concluded between the administrators. The gross remuneration has other advantages too, including the ones approved by the GMS resolution through BVC due to the directors and cannot exceed 5% of the value of the equity, established by the annual balance sheet.

12.4. The extraordinary meeting of shareholders occurs whenever it is necessary to make a decision for the following:

12.4.1. to change of the company's legal form;

12.4.2. to change the company's headquarters;

12.4.3. to change the field and main activity of the company;

12.4.4. to extend the duration of the company;

- 12.4.5. to increase the share capital;
- 12.4.6. to reduce the share capital or to readjust it by issuing new shares;
- 12.4.7. to decide upon the merge with other companies or the division from other companies;
- 12.4.8. to establish the early dissolution of the company;
- 12.4.9. to convert the registered shares into share warrant to bearer or share warrant to bearer into registered shares;
- 12.4.10. to convert the shares from one category to another;
- 12.4.11. to convert one bond category in another category or in shares;
- 12.4.12. to issue bonds;
- 12.4.13. any other modification of the Articles of Incorporation or any other decision for which it is requested the approval of the extraordinary general meeting of shareholders.

Article 13 - Convening the General Meeting of the Shareholders

- 13.1. The General Meeting of the Shareholders is convened by the Board of Directors whenever it is necessary, the President of the Board of Directors having the responsibility to perform all the convening formalities.
- 13.2. The ordinary general meetings are being held at least once a year, within the term established by the legislation of the capital market.
- 13.3. The general meetings are being convened by the board of directors at the shareholder's requests, representing individually or together at least 5% of the share capital, as well as in other situations provided by law, within maximum 30 days and shall meet no later than 60 days from the receipt of the request.
- 13.4. The general meeting shall be convened by the administrators, whenever it is necessary, according to the provisions of the Articles of Incorporation hereby, within at least 30 days before the set date.
- 13.5. The convocation is made by complying to the procedure provided by law, and the meeting term cannot be less than 30 days from the publication of the meeting in the Official Gazette of Romania, 4th part. The meeting shall be published in one of the wide-spread newspapers in the city in which the headquarters is located or in the closest city, as well as on the company's and share capital website.
- 13.6. The convocation shall include the date and time of the meeting, as well as the agenda, by explicitly mentioning every problem that will make the object of the meeting's discussion. In case in the agenda includes the appointment of administrators, at the meeting shall be presented the list with all the information on the name, address and professional qualification of the persons who are proposed for the position of administrator shall be made available to the shareholders, in order for them to check it.
- 13.7. When on the agenda there are proposals for the amendment of the Articles of Incorporation, the convocation shall comprise of the full text of the proposal, by complying with the legislation in force regarding the capital market.
- 13.8. One or more shareholders, who own individually or together at least 5% of the share capital, are entitled to introduce new proposals in the agenda. The requests shall be forwarded to the board of directors,

within 15 days from the date of meeting's publication, in order to publish it and bring the matter to the attention of the other shareholders.

13.9. The agenda, updated with the proposals brought by the shareholders, subsequently convened, shall be published by complying with the provisions stipulated by law for convening the general meeting of the shareholders, with at least 10 days before the meeting, at the date mentioned in the initial convener.

13.10. The annual financial statements, the board of directors' annual report as well as the proposal on the distribution of dividends shall be made available to the company's shareholders, at the date of the general meeting. Upon request, the shareholders will be issued copies of these documents.

13.11. If the company has an own website page, the convocation and any discussion topic added to the agenda shall be also published on the internet page, for free access of the shareholders.

13.12. Every shareholder may ask questions in writing to the board of directors regarding the company's activity, before the date of the general meeting of the shareholders and they will be answered at the assembly.

13.13. In the notice for the first general meeting shall be fixed the day and time for the second meeting, if the first one cannot be agreed upon.

13.14. The conditions for the validity of the deliberations and the decisions taken are those provided by the law.

Article 14 – The organization General Meeting of Shareholders

14.1. The shareholders can be represented in any general meeting of the shareholders by other shareholders or third parties, based on a special power of attorney. The special power of attorney can be will be taken from the company's headquarters.

14.2. The shareholders who, in their capacity cannot make an exercise, as well as legal persons, may be represented by their legal representatives who, in their turn, may give other persons a power of attorney for that general meeting.

14.3. The powers of attorney shall be submitted in original copy with 48 hours before the meeting, under the penalty of loss of the right to vote on that meeting. The powers of attorney shall be kept by the company and be mentioned in the minutes.

14.4. The ordinary and extraordinary general meetings shall be legally constituted and shall take decisions in conditions which meet the legal provisions in force and other provisions of the articles of incorporation.

14.5. The general meeting of the shareholders is chaired by the president of the Board of Directors, and in his absence, by a vice-president, based on a power of attorney given by the president.

14.6. The general meeting of the shareholders shall choose from the present shareholders 3 secretaries, who shall check the attendance list of shareholders, by indicating the share capital each one presents, the minutes prepared by the censors, to determine the number of shares present and complying with all the formalities required by law and the Articles of Incorporation for holding the general meeting.

14.7. The minutes of the meeting shall be written in a registry of the general meetings. The minutes shall be signed by the person who chaired the meeting and by the secretary who wrote it. To the minutes shall be attached documents regarding related to the meeting and the attendance list of the shareholders.

14.8. Decisions cannot be made over some matters on the agenda which were not previously published according to the provisions of law no. 31 / 1990, except the cases in which all the shareholders have been present or represented and neither one of them opposed or appealed to this decision.

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

15.1. The general meetings' decisions shall be taken by open vote.

15.2. Only the shareholders registered in the company's shareholders' registry at the reference date established by the board of directors at the convening of the general meeting of the shareholders will be entitled to participate in the meeting and to vote after they have proved their identity.

15.3. The secret vote is mandatory for appointing or revoking members of the board of directors, for appointing or revoking the financial auditor, for taking decisions regarding the company's administration, management, control bodies' responsibilities. The general meeting's decisions, within the limits of the law and the Articles of Incorporation, are compulsory even for the shareholders who did not attend the general meeting or who voted against.

15.4. To be opposable to third parties, the general meeting of the shareholders' decisions or the decisions of the board of directors shall be submitted in 15 days at the Trade Registry Office in order to be mentioned in the registry and published in the Official Gazette of Romania (part 4).

15.5. The members of the board of directors cannot appeal to general meeting's decision regarding their dismissal.

15.6. The shareholders who did not vote in favour of the general meeting's decision have the right to withdraw from the company and to request buying their shares by the company, only if the general meeting's decision in question has as object:

- a) changing the main object of activity;
- b) moving the headquarters abroad;
- c) the merger or division of the company.

The withdrawal right can be made:

- a) Within 30 days from the date of the publication of the general meeting's decision in the Official Gazette of Romania, part 4, in the cases stipulated at letters a) - c);
- b) From the adoption date of the decision of the general meeting.

The shareholders shall submit at the company's headquarters, together with the written withdrawal request, the shares which they hold, or as the case may be, the shareholder certificate.

The price paid by the company of the shares for the one who exercise his right to withdraw shall be fixed by an independent authorized expert, as medium value which results from applying at least two evaluation methods recognized by the legislation in force at the date of the evaluation. The expert is chosen by the delegate judge, upon the request of the board of directors.

CHAPTER 5

THE BOARD OF DIRECTORS

Article 16 – Organization

16.1. The company is managed in a unitary system, by a board of directors composed of 7 administrators, temporary and revocable, elected by the general meeting of the shareholders, majority of the members from the board of directors being non- executive directors (that were not appointed managers), elected for a 4-year period.

The administrators of ELECTROMAGNETICA SA with a mandate until October 18, 2019 are:

- **SCHEUSAN EUGEN**, PIN number 1540514400464, Romanian citizen, with the address in Bucharest, 3 Dr. Louis Pasteur Street, sector 3, born on May 14, 1954 in Bucharest, son of Gheorghe (father) and Mariana (mother), holder if ID series RX no. 760432/ August 8, 2015, issued by SPCEP Sector 5 – mandate until October 18, 2019, meeting 431,442,170 “For” votes (98.8477%)
- **MACOVEI OCTAVIAN**, PIN number 1500411400240, Romanian citizen, son of Ioan (father) and Domnica (mother), born in Geoagiu city, Hunedoara county, address in Bucharest, 64F Bulgarus Street, sector 5, holder of ID series DP no. 127649/ January 10, 2008, issued by I.N.E.P. – mandate until October 18, 2019, meeting 429,736,638 “For” votes (98.4569%)
- **STANCU TRAIAN**, PIN number 1530323400568, Romanian citizen, address in Bucharest, 13 Ghinea Bratasanu Street, sector 2, born on March 23, 1953 in Licuriciu village, Teleorman county, son of Ganea (father) and Elena (mother), holder of ID series VP no. 000035/ December 20, 2011, issued by DEPABD – mandate until October 18, 2019, meeting 430,139,628 “For” votes (98.5492%)
- **STANCU IOAN**, PIN number 1501120400374, Romanian citizen, address in Popesti-Leordeni city, 1B Rosiori Street, Ilfov county, born on November 20, 1950 in Popesti-Leordeni city, Ilfov county, son of Pavel (father) and Caterina (mother), holder of ID series IF no. 150079/ June 7, 2007, issued by SPCLEP Jilava – mandate until October 18, 2019, meeting 429,313,265 “For” votes (98.3599%)
- **HODEA CRISTINA-IOANA-RODICA**, Romanian citizen, PIN number 2631116400415, born on November 16, 1963 in Negresti city, Satu Mare county, daughter of Ioan (father) and Lucia (mother), address in Bucharest 324 Pantelimon Street, bld. D1, entrance 1, 5th floor, apartment 23, sector 2, holder of ID series RR no. 849560/ November 16, 2011, issued by SPCLEP sector 2 – with a mandate starting with April 21, 2016 and until October 18, 2019, meeting 461,547,260 “For” votes (99.9960%)
- **SICHIGEA ELENA**, Romanian citizen, PIN number 2551021163240, born on October 21, 1955 in Draghicensi village, Olt county, address in Craiova city, 118 Girlesti Street, Dolj county, holder of ID series DX no. 745070/ December 10, 2010, issued by SPCJEP Dolj – mandate until October 18, 2019, meeting 421,925,244 “For” votes (96.6672%)
- **CALITOIU ELENA**, Romanian citizen, PIN number 2630330163219, born on March 30, 1963 in Sinaia city, Prahova county, address in Craiova city, 156 Tudor Vladimirescu Street, holder of ID series DX no. 899754/ January 8, 2013, issued by SPCLEP Craiova – mandate until October 18, 2019, meeting 421,578,585 “Yes” votes (96.5878%)

16.2. The administrators are appointed by the ordinary general meeting of the shareholders, being re-electable. Throughout the duration of the mandates, the individual working contract of the administrators who had been appointed between the company’s employees shall be suspended.

16.3. The board of directors component will faithfully reflect the participation in the capital.

16.4. The board of directors members will conclude professional liability insurance.

16.5. The candidates for the administrator positions are nominated between the actual members of the board of directors or between the shareholders.

16.6. When a vacancy is created in the Board of Directors it shall be carried out in accordance with the legal dispositions in force. The duration for which the new administrator is chosen to fill in the vacancy shall be equal to the remaining period of its predecessor.

16.7. They are incompatible with the capacity of member in the Board of directors the persons who, according to the law, cannot take that position.

16.8. The board of directors is chaired by a president, chosen from among the members of the board of directors, who is also general manager. The president is appointed for a duration which cannot exceed the mandate duration or the administrator duration. The president can be revoked anytime by the board of directors.

16.9. At the first meeting, the board of directors chooses from its members the president.

16.10. In case the president is in a temporary incapacity to perform his duties, during that period of time, the board of directors appoints another person to serve as president.

16.11. The board of directors meets at the company's headquarters whenever it is necessary, but at least once a month, the remuneration being paid monthly:

- a) When convening of the president,
- b) At the motivated request of at least 2 members of the board of administrators;

He is chaired by the president.

The president appoints through a decision a secretary even between the board of directors outside the board of directors.

16.12. If the convocation was made by the president of the board of directors, he concludes the agenda, informs the members of the board of directors of the agenda's topics of discussion and chairs the meeting. In case the convocation was made according to the article 16.11 letter b), the agenda is concluded by the members of the board of directors who requested the meeting.

16.13. For the validity of decisions is necessary the attendance of at least half of the members of the board of directors. The decisions are taken by majority vote where they attend personally, with power of attorney or by exercising the vote through mail (e-mail or fax).

16.14. In exceptional cases, justified by the situation's emergency and by the company's interests, the decisions of the board of directors shall be taken by unanimous vote in writing of the members, without being necessary a meeting of the board of directors.

16.15. The board of directors' debates take place, according to the concluded agenda based on the project communicated by the president, with at least 5 days in advance. This is recorded in the meeting's minutes written in a registry by the president, secretary and at least one other administrator.

16.16. The managers and internal auditors may be called to any meeting of the board of directors, meeting where they have to attend. They don't have the right to vote, except the managers who are also administrators.

16.17. The board of directors is entrusted with of carrying out all necessary and useful documents to achieve the object of activity of the company, except for those legally reserved for the general meeting of the shareholders.

16.18. The board of directors delegates the company's management a number of managers appointed by the decision of the board of directors.

16.19. The board of directors can anytime revoke the managers.

16.20. The board of directors registers at the Trade Registry the name of the persons empowered to legally represent the company, by mentioning if these act together or separately. They also submit the signature specimen.

16.21. The board of directors may delegate to one or more of its members some powers of attorney for limited issues and can resort to experts for studying some problems.

16.22. The general manager represents the company in relation to third parties. The general manager can delegate this power of representation only management personnel, meaning the managers.

16.23. The president of the board of directors can make available to the shareholders and financial auditor, upon request, extracts from the registers.

16.24. The president, the members of the board of directors, are individually or solidary responsible, as the case may be, for the company, for the damages resulting from the offenses, or deviations from the legal provisions for deviations from the Articles of Incorporation or for mistakes in the company's management. In these situations, they can be revoked through the general meeting of the shareholders.

16.25. Each member of the board of directors has to be ensured from the professional liability point of view, the costs of these insurance policies shall be borne by the company. The level and amounts insured shall be established by the annual budget.

16.26. At the board of directors' meetings where issues of professional, economic, social or cultural interest are discussed, representatives of the syndicate shall be invited.

16.27. For the submitted activity, the administrators receive a monthly remuneration approved by the GMS, as well as other rights set by the general meeting of the shareholders.

16.28. The administrators are solidary responsible towards the company for:

16.28.1. The reality of the payments made by the associates

16.28.2. the real existence of the paid dividends

16.28.3. The existence of registers required by law and their proper maintenance

16.29. The administrators can be represented in the board of director's meetings only by other administrators, based on a special power of attorney.

Article 17 – The board of directors' attributions

17.1. The board of directors mainly has the following attributions:

17.1.1. appoints and revokes the managers who have been delegated management duties in the company at the general manager's proposal, establishing their rights, obligations and remuneration;

- 17.1.2. approves the organizational structure of the company;
 - 17.1.3. approves the medium and long term bank loans and other guarantees, pledges or mortgages for the letters of guarantee, other similar operations within the limit set by the capital legislation;
 - 17.1.4. is responsible for executing the revenue and expenditure budgets, proposing its update to the general meeting of the shareholders;
 - 17.1.5. approves to bear unrecoverable claims, justifiable increases, fortuitous case, force majeure and so on;
 - 17.1.6. approves the sponsorship contracts;
 - 17.1.7. approves the restructuring, reorganizing, modernizing, development programs;
 - 17.1.8. approves the disposal of fixed assets of finished products, raw materials and available materials for justified reasons, as well as other assets, except for those of the general meeting;
 - 17.1.9. approves the method of depreciation;
 - 17.1.10. approves the sale of fixed assets, except the units and sub-units that operate independently, as well as land properties;
 - 17.1.11. approves the negotiation mandate of the collective labor agreement;
 - 17.1.12. analyzes and approves the lease contracts, except the ones which are in the GMS's responsibility;
 - 17.1.13. periodically analyzes the implementation status of the quality system, the environment, the health and safety of the work and their effectiveness, approves through their president, the plans for their improvement;
 - 17.1.14. annually submits to the general meeting of shareholders, within 5 months after the end of the financial year, the report on the activity of the company, the financial statements for the previous year, the distribution of the net profit, as well as the draft activity program and the draft income and expenses budget of the company for the current year.
 - 17.1.15. approves the guarantees and the formation method for persons who are managers;
 - 17.1.16. summons the general meeting of the shareholders whenever it is necessary;
 - 17.1.17. solves any other problems set by the general meeting of the shareholders provided by the legislation in force;
 - 17.1.18. decides within the limits set by the general meeting, if the general manager, the directors and the employees of the company can benefit from incentives in proportion to the profit realized in the annual financial statements as a result of the measures directly undertaken by them;
 - 17.1.19. approves the object of activity of the company, except for the field and main object of the company.
- 17.2. The responsibilities of the Board of Directors, which cannot be delegated to managers, are:
- a) deciding on the main activity plans;
 - b) deciding on the accounting and financial control system and approving the financial planning;
 - c) appointing and revoking directors and determining their remuneration;

- d) supervising the managers' activity;
- e) preparing the annual report, organizing the general meeting of the shareholders and implementing their decisions;
- f) introducing the application for the opening of the insolvency proceedings of the company, according to the law no. 85/2006 on insolvency proceedings;
- g) any other tasks received from the general meeting of the shareholders.

17.3. The board of directors members are obliged to participate to the general meetings of the shareholders.

17.4. The board of directors has to submit the internal and auditors and financial auditors, with at least 30 days before the date set for the general meeting, the annual financial report for the previous financial year, together with their report and proving documents.

CHAPTER 6

MANAGERS

Article 18.

18.1. The management of the company unit is provided by managers, its number being decided by the board of directors.

18.2. The general meeting of the shareholders appoints one general manager for the company's management, who is also the president of the board of directors. If the general manager is chosen from the company's employees, the individual labor contract is suspended for the mandate period.

18.3. The board of directors delegates a part of its powers to a few managers, apart from the president of the board of directors – general manager, based on mandate contracts, deciding their responsibilities and salaries. Throughout the mandates, the individual labor contracts of the appointed managers shall be suspended.

18.4. The board of directors can revoke anytime the persons appointed as managers;

18.5. The managers, as well as the administrators, are responsible towards the company for the documents made by the managers or by the qualified staff, when the damage would not have occurred, if they would have done the imposed management by their duties in the office;

18.6. The managers will have to inform the Board of Directors of any deviation found in the performance of their supervising duties.

18.7. The managers are directly responsible towards the company and third parties for fulfilling their duties, according to the legal provisions.

18.8. The managers cannot delegate their mandate unless it is approved by the general manager.

18.9. The managers are responsible for taking decisions related to the company's management, within the object of the company by complying with the exclusive competencies under the law or the board of directors and general meeting of the shareholders.

18.10. The managers are responsible for taking decisions related to the company's management, within the object of the company by complying with the exclusive competencies under the law or of the Articles of Incorporation to the board of directors or the general meeting of the shareholders.

18.11. The activity of the managers shall be determined by the board of directors based on a decision.

18.12. The managers shall inform the board of directors on a regular and comprehensive basis about the operations performed as well as the future operations, but also on the irregularities found in the fulfillment of their obligations.

18.13. The board of directors members' remuneration is determined through a decision of the general meeting of the shareholders. The board of directors decides the manager's remuneration.

18.14. To delegate to the managers the attributions stipulated in Article 17.1.14.

18.15. The company's employees are hired or fired by the general manager or his substitute.

CHAPTER 7

THE COMPANY'S ACTIVITY

Article 19 – Economic and financial exercise

19.1. The economic and financial exercise starts on January 1st and ends on December 31st of each year. The first exercise starts at the date of the company's constitution.

Article 20 - Accounting records and balance sheet

20.1. The company will keep the accounting records in Romanian language and in the national currency, according to the specific legislation, will prepare the balance sheets according to the legislation in force.

20.2. The financial situations are prepared according to the law and will be approved by the general meeting of the shareholders and will be released in the Official Gazette of Romania, Part IV, according to the law.

20.3. The distribution of profit shall be approved by the general meeting of the shareholders.

Article 21 - Calculation and representation of profit

21.1. A part of maximum 10% of the profit can be distributed to the company's administrators and employees.

21.2. For the additional net profit made compared to the provisions of the assumed budget, the administrators and the managers will receive a share of up to 25% of it.

21.3. From the company's profit will be taken at least 5% each year to create the reserve fund until it reaches at least a fifth of the share capital. After being constituted, if the reserve fund was reduced, no matter what caused it, it must be completed in accordance with the previous paragraph. Moreover, in the reserve fund, even though it reached the amount from the first paragraph, will be also the surplus obtained by selling shares at a rate higher than their nominal value, if this surplus is not in use to pay for broadcast or amortization. In all cases, the participating conditions will be determined by the general meeting of the shareholders for each financial year.

Article 22 – The company's registries

22.1. The company keeps the registries according to the law.

Article 23 – The internal audit and financial audit

23.1. The company is audited by a financial auditor, natural or legal person, in the conditions provided by law.

23.2. The company will organize the internal audit according to the regulations set up by the Chamber of Financial Auditors of Romania, and the Board of Directors determines the organization and operating way of the internal audit activity.

23.3. The financial auditors are chose by the ordinary general meeting of the shareholders for a period of at least 1 year.

23.4. The financial auditors will inform the members from the board of directors about the irregularities in the management or violations of the legal dispositions of the Articles of Incorporation's provisions.

23.5. The financial auditor's report will be submitted to the company's headquarters within those 15 days preceding the general meeting of the shareholders, in order to be available to the shareholders.

CHAPTER 8

MERGER

Article 24

The company can merge with another company from the same activity sector or other sectors, from Romania or abroad, based on a merger contract, concluded in the conditions provided by law and by the Articles of Incorporation hereby.

Article 25

The merger contracts are approved by the company's board of directors, subject to the confirmation by the extraordinary general meeting of the shareholders.

Article 26

The partnership conditions during the merger, as well as the withdrawal ones will be expressly stipulated in the contract, according to the law.

CHAPTER 9

CHABGING THE LEGAL FORM. DISSOLUTION. LIQUIDATION. LITIGATION

Article 27 – Changing the legal form

27.1. The company can be changed in another company through a decision of the general meeting of the shareholders.

27.2. The company will complete all the legal procedures related to the registration and advertising required by the legislation in force.

Article 28 – The dissolution of the company

28.1. The following situations lead to the dissolution of the company:

28.1.1. the impossibility of achieving the object of activity;

28.1.2. by the decision of the general meeting of the shareholders;

28.1.3. bankruptcy

28.1.4. loss of one half of the share capital, after spending the reserve fund, if the general meeting of the shareholders does not decide to supplement the capital or reducing it to the remaining amount;

28.1.5. the number of shareholders will be reduced under 2, for a period no longer than 9 months;

28.1.6. at the request of any shareholder, if the force majeure case and its consequences last more than 8 months and the GMS finds that the activity of the company is impossible;

28.1.7. in any other situation, by the decision of the general meeting of the shareholders which is taken unanimously.

Article 29 – The liquidation of the company

29.1. In case of dissolution, the company will be liquidated.

29.2. The company's liquidation and the distribution of the patrimony shall be conducted according to the procedure provided by law.

Article 30 – Disputes

30.1. The company's disputes with the Romanian or foreign natural persons and legal persons are within the jurisdiction of the joint courts in Romania.

President of the Board of Directors

Eugen Scheusan

Official stamp

Illegible signature

Official stamp: Claudia Anne Mary Petruc Law Company, no. 99 as of September 14, 2017

Illegible signature