

Regulation of the General Meetings and respecting the shareholders' rights of Electromagnetica S.A.

Preamble

The present procedure establishes the rules necessary for convening and organizing the general meeting of Electromagnetica SA shareholders so that all shareholders can participate equally and non-discriminatorily in general meetings, to have access to sufficient information and to exercise the legal rights stipulated in the Articles of Incorporation, in the Law 31/1990 of the Companies Law, republished, Law 297/2004 of the Capital Market Law with subsequent amendments and additions, Regulation no. 6/2009, Regulation no. 1/2006 and the Government Ordinance No. 26 / 20.12.2012 of the National Securities Commission and Regulation no. 6/2014 of the Financial Supervisory Authority. This procedure applies to the Company, the Board of Directors and the shareholders of Electromagnetica SA.

1. The duties of the general meeting

The general shareholders' meeting is the governing body of the company in its integrity, which decides on its activity and on its economic and commercial policy. The general meetings of the shareholders are ordinary and extraordinary and will be held at the headquarters of the company and at the place that will be indicated in the convocation.

The Ordinary General Meeting meets within the term set by convening and has the following obligations:

- To discuss, approve or amend the annual financial statements on the basis of the reports presented by the board of directors and the financial auditor and to set the dividend;
- To choose and revoke the members of the board of directors, to set the remuneration for the current exercise of the administrators, as well as other rights;
- To appoint or dismiss the financial auditor and fix the minimum duration of the financial audit contract;
- To decide upon the management of the board of directors;
- To establish the revenue budget for the following financial year;
- To determine the profit and loss of the company's administrators and employees;
- To decide the action against the administrators and financial auditors, with the majority provided by the law, designating the person who is in charge with exercising it;
- To discuss any other matter included in the agenda, the competence of the general meeting;
- To establish the remuneration of the directors, as well as other supplementary rights for the current exercise, rights which shall be specified in the mandate contracts concluded by the administrators. The annual gross remuneration and other benefits, including those approved by the GMS through the Income and Expense Budget that have to be paid to the directors, may not exceed 5% of the capital, as determined by the annual balance sheet.

The extraordinary general meeting meets whenever a decision is needed to:

- change of the company's legal form;
- to change the company's headquarters;
- to change the field and main activity of the company;
- to extend the duration of the company;
- to increase of the share capital;
- to reduce the share capital or readjust it by issuing new shares;
- to convert shares from one category to another;
- to convert a bond category into another bond or in shares;

- to issue bonds;
- to establish the early dissolution of the company;
- 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.

2. The persons who have the capacity to convene / request the convocation of the GMS

The General Meeting of the Shareholders is convened by the Board of Directors whenever it is necessary, or at the request of shareholders representing 5% of the share capital. The person who requested the convocation must be approved by the Board of Directors and signed by the legal representative of the company. The GMS convocation requests made by the shareholders must meet the following conditions:

- to be accompanied by the copies of the documents proving: the shareholder's certificate, the ID of the shareholders and the representative, as the case may be;
- be accompanied by a justification and / or decision draft in order to be adopted;
- to be forwarded and registered at the headquarters of Electromagnetica SA in Bucharest, 266-268 Rahovei Street, sector 5, by any courier type with recorded delivery post, or by e-mail with incorporated extended electronic signature according to the Law no. 455/2001 regarding the electronic signature, to the e-mail address juridic@electromagnetica.ro.

3. The documents proving the identity of the shareholder and the representative are:

- in the case of individual shareholders, copies of shareholders' identification documents. Identity documents submitted by the shareholders must allow their identification in the registry of Electromagnetica shareholders held by Depository Central SA;
- in the case of legal persons shareholders, the copies of the identity card of the legal representative (identity card for Romanian citizens, passport for foreign citizens), together with the confirmation of company details, in original or copy according to the original issued by the Trade Register or any other Document, in original or a certified true copy, issued by a competent authority in the state in which the shareholder is legally registered, attesting the existence of the legal person and the name / capacity of the legal representative, issued maximum 3 months prior to date of the request for the convocation of the General Meeting of the Shareholders, allowing them to be identified in the Electromagnetica SA shareholders registry kept by the Depozitarul Central SA.

Except for identity papers, the documents drawn up in a foreign language other than English will be accompanied by a translation, made by an authorized translator, in Romanian or in English. Electromagnetica will not request the legalization or apostille of documents in order to certify the legal representative of the shareholder.

4. Documents certifying the shareholder

In order to certify and prove the ownership of a person asking questions or making proposals for completing the agenda, the Company will require the person to submit certifying documents his or her identity as well as the account statement issued by the Depozitarul Central or by the participants providing custody services (as defined by Article 168 (1) (b) of Law 297/2004) resulting in the ownership of the shares and the number of shares held.

5. GMS convocation

The GMS convocation must be approved by the Board of Directors and signed by the president of the Board of Directors. The GMS convocation shall include at least the following information:

- a. The Company's name;
- b. Date and venue of the general meeting;
- c. The start time of the general meeting;
- d. The proposed agenda. When the agenda includes proposals for amendment of the Articles of Incorporation, the convocation will have to include the full text of the proposals. If the agenda includes the appointment of the administrators, the convocation shall mention that the list containing information regarding the name, the place of residence and the professional qualification of the persons proposed for the position of administrator is at the disposal of the shareholders, can be consulted and completed by them;
- e. A clear and precise description of the procedures to be followed by the shareholders in order to be able to participate and vote in the meeting; to be also mentioned the shareholders' rights and deadline by which it can be exercised;
- f. The exact stipulation of the fact that the right to vote will be made directly, by a representative or by correspondence, by also mentioning the voting procedure by representation and by correspondence;
- g. How to distribute the voting paper by mail and the special power of attorney form for representation in the GMS as well as the date on which they are available;
- h. The date until which the shareholder can send his vote by mail and the exact address where the votes are sent by mail;
- i. The date and place where the special power of attorney is to be forwarded / received;
- j. The way of appointing the representatives by electronic means;
- k. The reference date as well as mentioning that only the persons who are shareholders on this date have the right to participate and to vote at the meeting;
- l. The deadline until the candidates' proposals for the positions of administrators can be made, if the election of the administrators is included on the agenda;
- m. The place where they can get the full text of the documents and draft decisions;
- n. Other information on matters included on the agenda of the meeting and the date on which they will be available, as well as the procedure that has to be followed;
- o. The website where information about the meeting is available;
- p. The proposal on the date of registration, which shall be of at least 10 business days after the GMS.

6. Notification on the convocation of the GMS

The company's shareholders are reasonably and effectively informed about the GMS through the following:

- (i) Releasing the convocation in the Official Gazette of Romania, Part IV;
- (ii) Releasing the convocation in one of the widely-spread newspapers in the city where the Company's headquarters is located;
- (iii) Posting of the convocation on the Company's website, www.electromagnetica.ro ;
- (iv) Sending the convocation to the Financial Supervisory Authority and to the market operator with in order for the BSE to inform the public, meaning on the website www.bvb.ro.

The term of the General Meeting of Shareholders shall not be less than 30 days from the release of the convocation in the Official Gazette of Romania, Part IV. In the notice of the first general meeting,

it will be possible to fix the date and the hour of the second meeting, in case the first one cannot be held.

For the entire period starting at least 30 days before the date of the General Meeting of the Shareholders and up to the date of the meeting, the shareholders have available on the Company's website, www.electromagnetica.ro, the following information:

- (i) the convocation of the assembly;
- (ii) the total number of shares and voting rights at the date of the convocation;
- (iii) the documents to be submitted to the meeting;
- (iv) a draft decision or, if no decision is proposed, a comment of the Board of Directors of the Company for each item on the agenda of the meeting. Also, the resolution proposals submitted by the shareholders will be added to the Company's website as soon as possible after their receipt by the Company; Several resolutions, even if they are of the same type, will not be grouped into one decision so that shareholders will not have to approve or reject them all at the same time;
- (v) the special power of attorney to be used for voting by representation, as well as forms to be used for voting by mail, in Romanian and translated into English. If the special power of attorney and voting forms cannot be uploaded on the website because of technical issues, the Company will write on the website the way they can be get them on a hard copy. In this case, the Company will send the forms free of charge through postal services to each of the shareholders submitting a request to do so. The shareholder can fill in the special power of attorney form and the voting form by mail either in Romanian or in English.

7. The rights that may be exercised by shareholders in the period between the date of convocation and the date of the General Meeting of Shareholders.

The Company guarantees the shareholders the right to exercise the rights provided by law as follows:

- (i) The right to request in writing the introduction of new items on the agenda. This right can be exercised by one or more shareholders representing, individually or collectively, at least 5% of the share capital, provided that each item is accompanied by a justification or a draft resolution proposed for adoption by the general meeting. The requests for new items on the agenda shall be submitted to the Board of Directors no later than 15 days after the release of the GMS convocation in the Official Gazette, which will check the compliance of the applications and draw up a new convocation with the revised agenda;
- (ii) The right to submit draft decisions for the items included or proposed to be included on the agenda of the General Meeting of Shareholders;
- (iii) The right to ask questions about the items on the Agenda of the General Meeting of Shareholders. The company undertakes to answer to the relevant questions of the shareholders, unless the responses are likely to harm the company, shareholders or employees. Questions will be submitted or sent to the Company's headquarters in attention to the Legal Office so that they can be registered with the Company's registry at least 2 calendar days before the date of the meeting in a sealed envelope with the written statement in clear and capital letters " **FOR THE ORDINARY AND / OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF _____**".

The answers will be published on the Company's webpage at the question / answer page or will be informed at the general meeting. If questions with the same content are addressed, the Company will provide a general answer.

- (iv) The right to ask questions to the Board of Directors in writing about the Company's activity prior to the date of the General Meeting of Shareholders. The answers to questions about the Company's activity will be provided either by uploading them on the Company's website or at the General Meeting of Shareholders;

- (v) Each shareholder registered at the reference date has the right to designate, by special power of attorney, any other natural or legal person, under the procedure described in the Chapter The vote through representatives.
- (vi) The right to revoke the elected representatives to vote on the basis of special power of attorney at the General Meeting of Shareholders;
- (vii) The shareholders registered on the reference date in the shareholders' registry have the possibility to vote by mail under the procedure described in The vote by mail.
- (viii) The shareholders have the right to modify their comments by voting by mail, within the deadline for submission at the Company's headquarters.
- (ix) If the General Meeting of Shareholders' agenda includes the election of administrators, the Company's shareholders may make proposals in writing for the election of administrators with at least ten days before the date of the General Meeting of Shareholders. Applying the cumulative vote is subject to voting in the General Meeting of Shareholders only if the request is made by shareholders who, individually or together, hold between 5% and 10%. In the case of a request from one or more shareholders holding together more than 10% of the capital, the application of cumulative voting is mandatory.
- (x) The shareholders have the right to request and to be issued copies of the annual financial statements / financial auditor's report, the annual report of the Board of Directors, and the proposal for the distribution of the dividends.

8. Voting rights

Each share subscribed and paid by shareholders entitles them to a vote in the General Meeting of Shareholders, the right to elect and to be elected in the management bodies, the right to participate in the distribution of profits, as well as other rights provided in the company's Articles of Incorporation. The exceptions are the voting rights which are suspended or registered with the Depozitarul Central as such. Electromagnetica will publish on the company's website the total number of shares and the total number of voting rights at the reference date. The Company understands to ensure the right to equal treatment for all shareholders who are in the same position regarding the attendance and exercise of voting rights within the General Meeting of Shareholders. The shareholders have, among other things, the right to attend to the general meetings of the shareholders and to have access to sufficient information on matters subject to the general assembly debate.

9. Methods of exercising the vote

9.1. The direct, personal, vote at the GMS

The direct vote in the GMS is exercised by open vote and / or voting papers by the shareholders or their representatives in the case of a secret vote. The vote is conditioned by the proof of the identity of the shareholders and of the representatives.

9.2. The vote by representative

Each shareholder registered at the reference date has the right to designate, by special power of attorney, any other natural or legal person, except the administrators, as a representative, to participate and vote on behalf of them at the GMS. The Representative has the same rights to vote, to speak and to ask questions in the General Meeting of Shareholders that the shareholder he represents should have. In order to be designated as a representative, that person must be entitled to do that. The special power of attorney will be drafted in three original copies (one for the Company, one for the shareholder and one for the representative), by filling in the form published on the Company's website. If the agenda changes, the Company is required to update the special power of attorney form.

The minimum content of the special power of attorney form is as follows:

- The identification data of the Electromagnetica SA shareholder and the indication of the holding them, in relation to the total number of shares and the number of voting rights, related to the total number of voting rights.
- the representative's identification data
- the date, time and place of the GMS meeting for which the power of attorney was given
- the issuing date of the special power of attorney. The proceedings issued at a later date will revoke the previous ones
- the specification of each item on the agenda and the option of "for", "against" or "abstaining" shareholders.
- the name and signature of shareholder.

The special power of attorney is only valid at the GMS for which it was requested. The representative has the obligation to vote in accordance with the instructions given by the shareholder who appointed him, under the sanction of cancelling the vote. The person who represents more shareholders on the basis of special power of attorney will vote by aggregating the number of votes for, against or abstaining, without compensating them.

The special power of attorney filled in by the shareholder either in Romanian or in English and signed on each page will be submitted in an original copy at the Company's headquarters, sent by courier, by post with recorded delivery post or sent with extended electronic signature at the email address specified in the notice, with at least 48 hours prior to the meeting, under the penalty of losing the voting right in that meeting. The special protocols, accompanied by the identification documents of the shareholder and those certifying the capacity of the signatory, as the case may be, shall be enclosed in a sealed envelope with the following mention on the envelope: **"SPECIAL POWER OF ATTORNEY FOR ORDINARY AND / OR EXTRAORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS OF / _____"**.

For the shareholders who benefit from custody services, the special power of attorney for participation and voting within a GMS, the date of the shareholder to a credit institution providing the custody services must be signed by that shareholder and be accompanied by a statement on his / her own responsibility given by the credit institution from which he received representation through the special power of attorney, from which:

- a. The credit institution provides custody services for that shareholder;
- b. The instructions under the special power of attorney are the same as those in the SWIFT message received by the credit institution to vote on that shareholder's behalf;
0. The special power of attorney is signed by the shareholder.

The special power of attorney and the credit institution statement must be forwarded to the Company in original, signed and, if necessary, stamped. The papers will be kept by the Company, by mentioning them in the minutes.

The appointment of the representatives elected by the shareholders to represent them in the General Meeting of the Shareholders may be sent to the Company only in writing. The shareholders may also appoint their representative by electronic means, in which case the power of attorney will be sent with an extended electronic signature to the email address specified in the convocation.

A special power of attorney may not be considered in the following situations:

- Has not been submitted in due time
- Does not contain the name in clear and signature of the shareholder
- Does not contain the identification data of the shareholder
- It is not accompanied by the identification documents of the shareholder and the documents proving the signature of the signatory
- Does not contain the name of the person with the power of attorney
- The power of attorney is incompatible (members of the board of directors or employees)

The faulty power of attorney such as contradictory or conditioned options, illegible writing etc., will be

taken only in consideration at the quorum and the votes will be void.

9.3. Voting by mail

Voting by mail can be used by any shareholder, natural or legal person. For this purpose, the Company will make available voting papers on the company's website by mail, in Romanian and English, with the following minimum content:

- The identification data of the Electromagnetica SA shareholder and the indication of holding them, in relation to the total number of shares and the number of voting rights, related to the total number of voting rights.
- the date, time and place of the GMS meeting for which the voting paper was filled in by mail
- The issuing date of the voting paper by mail. The ones issued at a later date will revoke the previous ones.
- the specification of each item on the agenda and the shareholder's option of "for", "against" or "abstaining". A note will state that the shareholder must choose a single option under the sanction of voiding the vote.
- the name in clear and signature of shareholder.

The voting paper by mail is valid only at the GMS for which it has been filled in.

The voting papers, filled in by the shareholder either in Romanian or in English, and signed on each page, will be submitted in original at the Company's headquarters, delivered by courier, by post with recorded delivery post or forwarded with extended electronic signature to the email address specified in the notice, with at least 48 hours before the meeting under the penalty of losing the right to vote in that meeting. The voting papers by mail, accompanied by the identification documents of the shareholder and those certifying the capacity of the signatory, as the case may be, shall be enclosed in a sealed envelope with the following mention on the envelope: **"VOTE BY MAIL FOR ORDINARY AND / OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS FROM / _____"**.

For the shareholders who benefit from custody services, the voting papers by mail signed by the shareholder may be sent without other documents if accompanied by a statement on his / her own responsibility given by the legal representative of the credit institution, which states that:

- a. The credit institution provides custody services for that shareholder;
- b. The voting by mail form is signed by the shareholder and contains voting options identical to those mentioned by the shareholder through a SWIFT message received by the credit institution from that shareholder.

The voting by mail form and the credit institution statement must be submitted to the Company in original, signed and, if necessary, stamped.

A voting by mail may not be taken into consideration in the following situations:

- Has not been submitted in due time
- Does not contain the name in clear, the date and signature of the shareholder
- Does not contain the identification data of the shareholder and the number of shares / votes
- It is not accompanied by the identification documents of the shareholder and the documents certifying the capacity of the signatory

The faulty voting papers such as contradictory or conditioned options, illegible etc., will be taken only in consideration in the quorum and the votes will be void. A vote by mail may be modified by submitting a new voting paper in due time. If a shareholder who has expressed the option of voting by mail is present at the meeting, then the options sent by mail are cancelled and the vote expressed directly in the meeting shall be taken into account.

The gathering, verification and keeping of votes by post and special power of attorney will be done by the Legal Office, under conditions of security and confidentiality.

10. The reference date and registration date

Only the shareholders enlisted in the Shareholders' Registry on the reference date, prepared by the Depozitarul Central, may participate in the General Meeting of Shareholders directly, by mail or by a representative with special power of attorney and may vote only after they prove their identity under the sanction of cancelling the vote. The reference date must not be earlier than 30 days before the date of the GMS to which it applies, be earlier than the deadline until when the special power of attorney and voting papers may be submitted by post, be later than the deadline for submission of the proposals for the agenda and between the date of convening the GMS and the reference date there is a term of at least 8 days, without calculating the first and the last day.

The effects of GMS decisions are reflected on shareholders registered in the Shareholders' Registry at the date of registration, set by the GMS at a later date of at least 10 business days of GMS date.

11. Access to the general meeting

The shareholders' access to the General Meeting of the Shareholders is done by the simple proof of their identity, which is made in the case of the natural person shareholders with the identity act. In the case of legal persons and shareholders represented, the access is made on the basis of a special power of attorney to the person who represents them. The necessary documents for identification of the shareholders are those mentioned in Chapter 3, Documents attesting the identity of the shareholder and the representative.

12. Quorum of the meeting and date of registration

The shareholders present in the meeting (directly or through a representative) as well as those who submitted the valid vote by mail will be taken into account by the secretary of the meeting in determining the share of the share capital represented at the meeting of the total share capital of Electromagnetica SA, for establishing the quorum required for the meeting and the validity of the adopted decisions.

13. Cumulative vote

If the agenda includes the election of the members of the Board of Directors, and this is done by the cumulative vote method, each shareholder has the right to assign the cumulative votes (the votes obtained after the multiplication of the votes held by any shareholder, according to the participation to the share capital, with the number of directors to form the Board of Directors) to one or more persons proposed to be elected to the Board of Directors.

Inaccurate filling in the cumulative voting form leads to the cancellation of the entire voting paper. If the number of cumulative votes allocated to each candidate is not written on the voting paper, then the total number of cumulative votes will be equally distributed to the candidates for whom the shareholder voted "for".

To avoid mistaking voting papers, they will contain the total number of cumulative votes. The shareholders who vote by mail will request in this case a personalized voting paper, issued by the company upon request, with the total number of cumulative votes due. Applying the cumulative vote method involves choosing the entire Board of Directors within the same General Meeting of Shareholders. In the minutes of the meeting the cumulative vote method shall be stated.

14. The vote's confidentiality

The Legal Department and the GMS Secretary will keep the written records and the confidentiality of the votes done by mail and by special power of attorney submitted to the company's headquarters until the actual voting for resolutions related to the Agenda.

15. Validation of votes

Each shareholder present at the meeting receives a voting paper bearing the Company's stamp and on which is written the number of shares, the number of votes and all the items on the agenda, as well as the options "for", "against" or "abstention".

The GMS Secretary will verify the consistency between the data submitted by the shareholder in the voting papers by mail and those in the shareholders' registry at the reference date as well as the consistency between the special power of attorney and the voting papers filled in by the representatives.

Only the voting papers containing all the required identification elements for the signatory will be considered valid and have a single "X" character in place of the voting points.

After voting, the papers are kept and archived at the Company.

16. Organizing debates within the GMS

The General Meeting of Shareholders is chaired by the President of the Board of Directors or by a person his substitute. The meeting will be attended by members of the administrative and executive management who will be available to shareholders to answer questions. The president or his substitute opens the meeting and proposes, among the shareholders who are present, the election of a secretary by vote. He verifies the list of shareholders' attendance list and the accuracy of all the formalities required by the law and by the Articles of Incorporation for the holding of the General Meeting of Shareholders. The president or his substitute may designate one or more technical secretaries from the Company's employees to support the work of the meeting secretary. After the fulfilment of the legal requirements and of the provisions of the Articles of Incorporation, the agenda is passed.

The decisions of the general meetings are taken by open vote. Secret vote is required only for:

- the election and revocation of directors or auditors;
- making decisions regarding the liability of the members of the administration, management and control bodies of the Company.

The shareholders have the right to request the recording of their statements made during the debates of the General Meeting of Shareholders.

17. The minutes of the meeting and decisions

The GMS Secretary will prepare the minutes of the meeting, to which will be attached the convening documents, as well as the attendance lists of the shareholders. The minutes signed by the person who chaired the meeting and the secretary will observe the fulfilment of the convening formalities, the date and place of the General Meeting of the Shareholders, the present shareholders, the number of shares, the summaries, the decisions taken and, at the request of the shareholders, their decisions. The minutes will be transferred to the general meetings registry. The decisions of the general meetings will be signed by the president of the meeting and the secretary of the meeting. In order to be opposable to third parties, the decisions of the general assemblies will be submitted within 15 days to the Trade Register Office to be mentioned in the registry and published in the Official Gazette of Romania, Part IV. The decisions will be published in the same period on the Company's website. Also, the decisions will be brought to the attention of the shareholders by sending the current report to the Financial Supervisory Authority and BVB for uploading on the website of the market operator www.bvb.ro, in accordance with the provisions of art. 113 of National Securities Commission Regulation no. 1/2006.

0. The resolvability of judgments

The decisions of the General Meeting of Shareholders are mandatory even for the absent, represented or who voted against. The shareholders who have not taken part in the general meeting or who have voted against and have asked for it to be entered in the minutes of the hearing have the right to

appeal the decisions of the general meeting in court within 15 days from the date of its publication in the Monitor Official Journal of Romania, Part IV.

The shareholders who have not voted in favour of a decision of the general meeting have the right to withdraw from the company and to request the purchase of their shares by the company only if the decision of the general meeting has as its object:

- a) change of the main activity object;
- 0) change of the company's headquarters abroad;
- a) changing the legal form of company;
- b) the merger or division of the company;

The right of withdrawal may be done:

- a) within 30 days from the date of publication of the decision of the general assembly in the Official Gazette of Romania, Part IV a, in the cases referred to in lett. A) - c);
- b) from the date of the adoption of the decision of the general meeting, in the case referred to in lett. d).

The shareholders will submit, at the registered office of the company, along with the written statement of withdrawal, the shares they own. The price paid by the company for the shares of the person exercising the right of withdrawal will be determined by an independent authorized expert, as the average value resulting from the application of at least two valuation methods recognized by the legislation in force at the valuation date. The expert shall be appointed by the Delegated Judge at the request of the Management Board.

This regulation was approved by the Board of Directors' decision of March 26, 2014.