

## **ELECTROMAGNETICA OGMS and EGMS CONVENING NOTICE FOR 28/29 APRIL 2020**

The Board of Directors of **ELECTROMAGNETICA SA**, with registered office in Bucharest, Calea Rahovei nr 266-268, Sector 5, sitting in the meeting of 25.03.2020, at 12:00 o'clock, the vote taking place via electronic means, convenes the Ordinary General Meeting of Shareholders (AGOA) on 28 April 2020, at 13:00 o'clock, and the extraordinary general meeting of shareholders (AGEA) on 28 April 2020, at 14:00 o'clock, at the registered office of the company, for all the shareholders registered in the Register of Company Shareholders kept by Depozitarul Central SA (Central Securities Depository), at the end of the day of 16.04.2020, considered as the reference date for these meetings.

### **A. The agenda of the Ordinary General Meeting is:**

1. Approval of the annual individual financial statements for the financial year ended on 31 December 2019 according to the Accounting Regulations compliant with the International Financial Reporting Standards, accompanied by the report of the Board of Directors and the financial auditor's report, consisting of:
  - statement of financial position;
  - statement of comprehensive income;
  - statement of changes in equity;
  - cash flows statement;
  - notes to the individual financial statements.
2. Approval of the annual consolidated financial statements for the financial year ended on 31 December 2019 according to the Accounting Regulations compliant with the International Financial Reporting Standards, accompanied by the report of the Board of Directors and the financial auditor's report, consisting of:
  - consolidated statement of financial position;
  - consolidated statement of comprehensive income;
  - consolidated statement of changes in equity;
  - consolidated cash flows statement;
  - notes to the consolidated financial statements.
3. Approval of the distribution of the net profit and fixing of the dividend in gross amount of 0.004 RON/share, giving mandate to the Board of Directors to designate the paying agent.
4. Extension of the power of the auditor Deloitte Audit SRL for one year, respectively the audit of the financial year 2020, with the power of the Board of Directors to negotiate, conclude and sign the contract on behalf and on the account of the company.
5. Approval of the date of 1 September 2020 as the Dividend Payment Date. In the event of changes to the legal framework regarding the method of calculation of the payment date, the payment date is set on the last working day of the maximum period provided by the legal provisions thus amended, between the date of registration and the date of payment. In such a case, the Board of Directors will communicate and publish a current report, also available on the Company's website, regarding the amended date of payment.
6. Discharge of the Directors for the financial year 2019.
7. Approval of the Income and Expenditure Budget for the year 2020 and of the Activity Program for the financial year 2020, giving mandate to the Board of Directors to recorelate the items of income and expenses, subject to the occurrence of unforeseeable random events.

8. Approval of the remuneration due to the members of the Board of Directors for the financial year 2020.
9. Approval of the remuneration of members of the Audit Committee for the 2020 financial year.
10. Approval of the date of 18.08.2020 as the date of registration for the identification of the shareholders affected by the AGOA resolutions, and of the date of 17.08.2020 as ex-date (the date when the shares are traded without the rights deriving from the AGOA resolutions).
11. Giving mandate to Mr. Eugen Scheusan – Chairman of the Board of Directors, with possibility of substitution, to: i) conclude and/or sign on behalf of the Company and/or the Company's shareholders the resolutions of this AGOA, any and all decisions, documents, applications, forms and requests adopted/made for the purpose of or in order to implement the resolutions of this AGOA in relation to any natural or legal person, private or public, to ii) perform all legal formalities for the registration, enforceability, implementation and publication of the adopted resolutions.

**B. The agenda of the Extraordinary General Meeting is as follows:**

1. Approval for the establishment of an operational point at Moara Vlasiei, Ilfov County (Real Estate Register 50098), where the agricultural activity will take place.
2. Approval of the conclusion of an addendum to the company's articles of incorporation, which will mention the issues approved in art. 1, respectively the supplementation of art 3.3, with the operational point located at Moara Vlasiei Ilfov County, which will have the following content:  
“3.3. The trading company ELECTROMAGNETICA SA owns as units without legal personality the following:
  - Prototype section of Special Production located at str. Chirca nr. 101, Varteju Commune, Magurele Town, Ilfov County - where the activity under NACE code 2651 - Manufacture of instruments and appliances for measuring, testing and navigation is carried out.
  - The store “CASATEL” located at Calea Rahovei nr. 266-268, sector 5, Bucharest, where the activity under NACE code 4754 - Retail sale of electrical household appliances in specialised stores is carried out.
  - Baza sportiva located at str. Veseliei nr. 19, sector 5, Bucharest, where the activity under NACE code 9311 - Operation of sports facilities is carried out.
  - Low power hydroelectric plant Galanesti - Bilca 1 - placed on Suceava River in Bilca Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Galanesti - Bilca 2 - placed on Suceava River in Bilca Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Galanesti - Bilca 3 - placed on Suceava River in Bilca Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity and office activity is carried out.
  - Low power hydroelectric plant Tibeni - placed on Suceava River in Satu Mare Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Brodina 1 - placed on Brodina River in Brodina Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Brodina 2 - placed on Brodina River in Brodina Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Sadau - placed on Sadau River in Sadau, Brodina Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant is placed on Brodina River in Brodina Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
  - Low power hydroelectric plant Putna - placed on Putnisoara River in Putna Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.

- Low power hydroelectric plant Brodina de Jos-placed on Brodina River in Brodina Commune, Suceava County, where the activity under NACE code 3511 - Production of electricity is carried out.
- The land located at Moara Vlasiei, Real Estate Register 50098, where the agricultural activity is carried out.

3. Approval for setting-up of a collateral for assets from the category of fixed assets of the company whose value does not exceed, individually or cumulatively (during each financial year from 2020 - 2023), 60% of the total assets, less the receivables, by authorizing the Board of Directors to concluded related legal documents.

4. Approval of the date of August 18, 2020 as the registration date for the identification of the shareholders on which are incumbent the effects of the decisions of AGEA and of the date of August 17, 2020 as ex-date (the date on which the shares are traded without the rights deriving from the AGEA decisions).

5. Authorizing Mr. Eugen Scheusan - Chairman of the Board of Directors, with the possibility of substitution, in order: i) to conclude and / or sign, on behalf of the Company and / or the shareholders of the Company, the resolutions of this AGEA, the addendum to these articles of incorporation, the updated articles of incorporation as well as any and all decisions, documents, applications, forms and requests adopted / drawn up for its purpose for the execution of the decisions of this AGEA in relation to any natural or legal person, either private or public, to perform all the legal formalities for registration, enforceability, execution and publication of the adopted decisions.

As of 27 March 2020, the convening notice, the documents and informative materials related to the agenda, the draft resolutions, the correspondence ballot forms, the special power of attorney forms for the representation of shareholders in the AGOA/AGEA, the total number of shares and voting rights are at the disposal of shareholders and can be consulted or procured by shareholders either from the registered office of the company, or from the Legal Office, daily from Monday to Friday, between 7:00 - 15:00 o'clock, or can be consulted on the company's website ([www.electromagnetica.ro/](http://www.electromagnetica.ro/)) in the section Companie/Investitori/Adunari Generale/2020 (Company/Investors/General Meetings/2019), while the regulation on the conduct of general meetings and the observance of shareholders' rights can be consulted in the section Companie/Investitori/Info/Guvernanta Corporativa (Company/Investors/Info/Corporate Governance).

One or more shareholders representing, individually or together, at least 5% of the share capital is/are entitled: i) to enter topics on the agenda of the general meeting, provided that each topic is accompanied by a justification or a draft resolution proposed for adoption by the general meeting, and ii) to submit draft resolutions for the topics included or proposed to be included on the agenda of the general meeting.

Proposals for new topics on the agenda and the proposed draft resolutions, along with the documents proving the fulfilment of conditions, shall be submitted within 15 days from the convening date, i.e. until 10.04.2020 at 13:00 o'clock, respectively 14:00 o'clock for the AGEA, as follows:

- either in the form of a handwritten document submitted in a closed envelope at the Registry Office or transmitted by express courier or by mail with acknowledgement of receipt bearing in clear capital letters the mention "FOR THE AGOA/AGEA OF 28/29 APRIL 2020";
- or in the form of an electronically signed document with extended electronic signature, in accordance with Law no. 455/2001, at the address [juridic@electromagnetica.ro](mailto:juridic@electromagnetica.ro), mentioning in the subject line "FOR THE AGOA/AGEA OF 28/29 APRIL 2020"

The shareholders of the Company, irrespective of the participation held, may ask questions regarding the topics on the agenda of the general meeting, at the Legal Office, in a closed envelope, until 27.04.2020 15:00 o'clock. The envelopes containing the questions and the attached documents shall bear in clear capital letters the mention "FOR THE AGOA/AGEA OF 28/29 APRIL 2019".

For purposes of identification and proving the capacity as shareholder, respectively the capacity as legal representative of the shareholder, the persons who ask questions or make proposals for completing the agenda shall submit the following documents, in original or in copy certified true to the original: a statement of account showing the capacity as shareholder and the shares held, issued by the Central Securities Depository or, as the case may be, by the participants providing custody services, the copy of the identity card or equivalent in the case of shareholders who are natural persons, and, in case of shareholders who are legal persons, a copy of the identity document of the legal representative together with a confirmation of company details issued by the Trade Register or any other document attesting the capacity as legal representative, issued by an authority of the state in which the shareholder is registered, issued no later than 3 months before the date of publication of the convening notice. The documents attesting the capacity as legal representative drawn up in a foreign language other than English shall be accompanied by a translation made by an authorized translator into Romanian or English.

The same documents shall also be submitted by the shareholders who submit questions to the Board of Directors.

Shareholders who are legal persons or entities without legal personality who have provided before the date of reference the information regarding their legal representative to the Central Securities Depository so that it can be found in the shareholders register on the reference date no longer need to prove the capacity as legal representative of the shareholder by submitting documents.

Only the shareholders who are registered on the reference date may participate in the general meeting and may exercise their voting rights either personally or through representatives, based on a special or general power of attorney, or before the meeting, by correspondence, based on the correspondence ballot form.

The access of shareholders and representatives to meetings and/or the vote by correspondence is allowed based on the mere proof of identity as follows:

- Shareholders who are natural persons - in person, based on the identity document (identity card for Romanian citizens, passport/identity document for EU citizens, passport for foreign non-EU citizens)
- Shareholders who are natural persons - by representative, based on a special or general power of attorney and the identity card of the representative;
- Shareholders who are legal persons - through the legal representative, based on the identity document of the representative and on the shareholders list at the reference date received from the Central Securities Depository, and if the shareholder did not inform the Central Securities Depository in due time about its legal representative, on the basis of the confirmation of company details issued by the Trade Register or any official document attesting the capacity as legal representative, issued by a competent authority, in original or in a copy certified true to the original, no later than 3 months before the date of publication of the convening notice.
- Shareholders who are legal persons - by representative, based on a special or general power of attorney signed and stamped by the legal representative of the shareholder who is a legal person, accompanied by the identity document of the person to whom the representation power was delegated, together with the certified true copy of the confirmation of company details issued by the Trade Register or any official document attesting to the capacity as legal representative of the signatory of the power of attorney, issued by a competent authority, in original or in certified true copy, no later than 3 months before the date of publication of the convening notice.

The special power of attorney for participation in the meeting given by a shareholder to a credit institution providing custody services shall be accompanied by a declaration on its own responsibility given by the institution which has been given the power of representation by the special power of attorney, stating that: i) the credit institution provides custody services for that shareholder; ii) the instructions in the special power of attorney are identical to the instructions in

the SWIFT message received by the credit institution to vote on behalf of that shareholder; iii) the special power of attorney is signed by the shareholder. The special power of attorney and the declaration must be submitted to the issuer in original, signed and, if necessary, stamped.

For the shareholders benefiting from custody services, the correspondence ballot form signed by the shareholder may be transmitted without other documents being necessary if it is accompanied by a declaration on his/her own responsibility given by the legal representative of the credit institution, stating that: i) the credit institution provides custody services for that shareholder, and ii) the correspondence ballot 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 correspondence ballot form and the declaration of the credit institution must be submitted to the Company in original, signed by the legal representative of the credit institution and, if necessary, stamped.

After being filled in, in Romanian or English, the special or general power of attorney, and the correspondence ballot form, respectively, signed and, if necessary stamped, shall be submitted to the Company until 27.04.2020, at 13:00 o'clock for the AGOA, respectively 14:00 for the AGEA, in closed envelope with the written mention in clear and capital letters "FOR THE AGOA/AGEA OF 28/29 APRIL 2020", under the sanction of loss of the exercise of the right to vote by representative or by correspondence in the general meeting, according to the legal provisions. Subject to the same deadlines, the special or general power of attorney and correspondence ballot forms may also be sent by e-mail with extended electronic signature incorporated according to Law 455/2001, at the address [juridic@electromagnetica.ro](mailto:juridic@electromagnetica.ro), mentioning in the subject line "FOR THE AGOA/AGEA OF 28/29 APRIL 2019".

General powers of attorney shall be submitted in certified true copy under the signature of the representative, only once prior to the first use, and shall subsequently be valid for any of the general meetings convened within the duration of validity. A general power of attorney may be granted for a period not exceeding 3 years, provided that it is granted by the shareholder as client to an intermediary or a lawyer and only if the representative is not in a conflict of interest.

The general power of attorney shall be accompanied by a declaration on his/her own responsibility given by the legal representative of the intermediary or by the lawyer who has been given the power of representation through the general power of attorney, stating that:

- (i) the power of attorney is granted by that shareholder, as a client, to the intermediary or, as the case may be, to the lawyer;
- (ii) the general power of attorney is signed by the shareholder, including by attaching an extended electronic signature, if applicable.

Following the completion of the agenda, the company will make available to shareholders the convening notice, the special power of attorney forms and the updated correspondence ballot forms.

If on 28 April 2020 the quorum stipulated by the law is not met, the second ordinary or extraordinary general meeting shall be convened for 29 April 2020, in the same place, at the same time, with the same reference date and with the same agenda.

On the convening date, the share capital of Electromagnetica SA is composed of 676,038,704 ordinary shares, every share held giving the right to a vote in the general meeting. Additional information may be obtained from the Legal Office, telephone – 0214042129, 0214042131, 0214042132 or e-mail [juridic@electromagnetica.ro](mailto:juridic@electromagnetica.ro)."

With a view to the Decree no 195/2020, in order to avoid the spread of the virus and to comply with the norms imposed by the authorities, our recommendation for the shareholders is to vote by correspondence, to send to the company headquarters, by mail, any questions, requests they might have in relation to the Company's activity.

**Chairman of the Board of Directors**

**Eugen Scheusan**