

Regulation on the conduct of general meetings and respect for the rights of Electromagnetica S.A. shareholders

1. Preamble. Scope of application

This procedure establishes the necessary rules for convening and organizing the ordinary and extraordinary general meeting of the shareholders of Electromagnetica SA (hereinafter referred to as "GMS") so that all shareholders can participate equally and non-discriminatorily in the general meetings (hereinafter referred to as "GM"), have access to sufficient information and exercise their legal rights provided for in the:

- Articles of association,
- Company Law No 31/1990,
- Law no. 24/2017 on issuers of financial instruments and market operations
- Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and

market operations

This procedure applies to the Company, the Board of Directors and the shareholders of Electromagnetica SA.

2. Terms and expressions. Definition and Abbreviations

GMS: Abbreviated name of the General Meeting(s) of Shareholders. May be OGMS- Ordinary General Meeting of Shareholders or EGMS - Extraordinary General Meeting of Shareholders.

GM: Abbreviated name of the General Meeting(s).

BoD: Represents the Board of Directors, a body regulated by Law 31/1990 and Law 24/2017

Date of registration: Calendar date set by the GMS, i.e. the date on which the identification of the shareholders on whom the effects of the resolutions of the General Meeting of Shareholders (including those who are to receive dividends or other rights) will be felt takes place. Once the dividends are fixed, the general meeting of shareholders also determines the date on which they will be paid to shareholders. This date shall not be fixed later than 6 months after the date of the general meeting of shareholders fixing the dividends.

Date of reference: The calendar date set by the company's Board of Directors, which serves to identify shareholders entitled to attend and vote at the GMS. The reference date must be after the publication of the completed GMS notice and before the GMS

Company or Corporation: Alternative term to identify Electromagnetica SA.

3. Powers of the GMS

The General Meeting of Shareholders (GMS) is the governing body of the company in its integrity, which decides on its activities and its economic and commercial policy. GMSs are ordinary and extraordinary and will be held at the company's registered office at the place and time indicated in the notice of meeting.

The powers of the GMS shall be those provided for by the applicable legislation and the Company's Articles of Association in force.

4. Persons entitled to convene/request the convening of the GMS

The GMS is convened by the Board of Directors (BoD), whenever necessary, or at the request of shareholders representing 5% of the share capital. The convening notice must be approved by the BoD and signed by the legal representative of the company. Requests for the convocation of the GMS made by

shareholders must cumulatively fulfill the following conditions:

- be accompanied by copies of documents proving: the quality of shareholder, the identity of the shareholders and the quality of representative, as the case may be;
- be accompanied by a justification and/or a draft resolution proposed for adoption;
- to be sent and registered at the registered office of Electromagnetica SA in Bucharest, 266-268 Calea Rahovei, District 5, by any form of courier with confirmation of receipt, or by e-mail with an extended electronic signature incorporated in accordance with Law no. 455/2001 on electronic signature, at juridic@electromagnetica.ro.

5. Documents proving the shareholder's status, the identity of the shareholder and the representative status:

The status of shareholder is verified by identification in the Register of Shareholders received from Depozitarul Central SA. The Company may also request a person to provide a statement of account issued by Depozitarul Central. To verify the identity of the shareholder, the following will be requested:

- for individuals, identity documents (copy);
- copies of the identity documents of the legal representative (identity card or ID card for Romanian citizens, passport for foreign citizens), together with the original or certified copy of the certificate issued by the Trade Registry or any other document, in original or certified copy, issued by a competent authority in the state where the shareholder is legally registered, which proves the existence of the legal entity and the name/capacity of the legal representative, with a maximum of 3 months from the date of the request for the GMS.

With the exception of identity documents, documents drawn up in a foreign language, other than English, shall be accompanied by a translation, made by an authorized translator, into Romanian or English. Electromagnetica will not require the legalization or apostille of documents attesting the shareholder's legal representative status.

6. GMS convocation

The convocation of the GMS shall be approved by the BoD and signed by the Chairman of the BoD. The GMS notice shall contain at least the following information:

- the name of the Company;
- the date, starting time and place of the GMS for the first and second convocation;
- the proposed agenda. When the agenda includes proposals to amend the articles of association, the notice must include the full text of the proposals. If the agenda includes the appointment of directors, the convocation shall mention that the list containing information on the names, place of residence and professional qualifications of the persons proposed for the position of director is available to the shareholders and may be consulted and completed by them;
- a clear and precise description of the procedures to be followed by the shareholders in order to be able to vote at the meeting; the rights of the shareholders and the deadline by which they may be exercised shall be mentioned;
- express mention of the fact that the right to vote may be exercised directly, by proxy or by correspondence, as well as references to the procedure for voting by proxy and by correspondence;
- the method of distribution of the postal ballot paper and the special power of attorney form for representation at the GMS and the date from which they are available;
- the date by which the shareholder may submit his/her postal vote and the exact address;

- the date and place where postal votes and special powers of attorney are submitted;
- the procedure for appointing proxies by electronic means;
- the reference date and the fact that only persons who are shareholders on that date are entitled to attend and vote at the meeting;
- the deadline by which proposals may be made for candidates for the positions of directors, if the agenda includes the election of directors;
- where the full text of the documents and draft resolutions can be obtained;
- other information concerning the items on the agenda of the meeting and the date from which they will be available, as well as the procedure to be followed in this respect;
- the address of the website on which the information on the meeting will be available;
- the proposed record date, which shall be at least 10 business days after the date of the GMS;
- proposal for payment date of dividend payment, if any, together with proposal for ex-dividend date, payment date, guaranteed payment date.

7. Information on the GMS convocation

Shareholders are reasonably and effectively informed about the GMS by:

- publication of the Notice in the Official Gazette of Romania, Part IV;
- publication of the Notice of Meeting in one of the newspapers of wide circulation in the locality where the company's registered office is located;
- publication of the Notice of Meeting on the company's website, www.electromagnetica.ro;
- sending the convocation to the Financial Supervisory Authority and the market operator for publication through the means used by the Bucharest Stock Exchange for communication to the public, i.e. the website www.bvb.ro.
- introduction on the RoCoApp platform of Depozitarul Central

The deadline for the GMS shall not be less than 30 days from the publication of the notice of meeting in the Official Gazette of Romania, Part IV. In the notice for the first general meeting, the date and time of the second meeting may be fixed, in case the first one cannot be held.

In accordance with the company's articles of association, with reference to Article 105 para. (23³) of the Law no. 24/2017 on issuers of financial instruments and market operations, the position of "abstention" expressed by a shareholder or by a representative present with regard to items on the agenda of the general meetings of shareholders represents a vote expressed with regard to those items on the agenda.

Throughout the period beginning at least 30 days before the date of the GMS and up to and including the date of the meeting, shareholders have at least the following information available on the company's website, www.electromagnetica.ro:

- the notice of the meeting;
- the total number of shares and voting rights at the date of the meeting;
- the agenda;
- the documents to be submitted to the shareholders for approval;
- a draft resolution or, if no resolution is proposed, a comment by the Board of Directors of the company on each item on the agenda of the meeting. The proposed resolutions submitted by shareholders will also be added to the Company's website as soon as they are received by the Company;
- the ballot forms;
- the special power of attorney forms to be used for proxy voting, as well as the forms to be used for postal voting, in Romanian and translated into English.

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

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

- the right to request in writing the introduction of new items on the agenda. This right may be exercised by one or more shareholders representing, individually or jointly, at least 5% of the share capital provided that each point is accompanied by a justification or a draft resolution proposed for adoption by the general meeting. Requests for the inclusion of new items on the agenda shall be submitted to the Board of Directors no later than 15 days after the publication of the notice of the GMS in the Official Gazette, which shall verify the conformity of the requests and draw up a new notice with the revised agenda;
- the right to submit draft resolutions for items included or proposed to be included on the GMS agenda;
- the right to ask questions on items on the GMS agenda

The Company is obliged to answer relevant questions from shareholders, unless the answers are likely to prejudice the Company, its shareholders or its employees. The questions shall be submitted or sent to the Company's registered office, to the attention of the Legal Office, so as to be registered at the Company's registry, at least 48 hours before the date of the AGM, in a sealed envelope, clearly marked in capital letters "FOR THE ORDINARY AND/OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF ", or sent to juridic@electromagnetica.ro.

Answers will be published on the company's website in question/answer format or will be communicated at the GMS.

- the right to ask questions in writing to the BoD about the company's activities before the GMS. Answers to questions on the company's business will be provided on the company's website;
- each shareholder registered at the date of the GMS has the right to appoint, on the basis of a special power of attorney, any other individual or legal entity, under the conditions of the procedure described in the chapter Voting by proxy.
- the right to revoke the proxies elected to vote by special power of attorney at the GMS;
- shareholders registered on the reference date in the register of shareholders may also vote by correspondence under the conditions of the procedure described in the chapter Voting by correspondence.
- Shareholders have the right to change their vote expressed by postal vote, subject to the deadline for submission to the company's registered office.
- If the agenda of the GMS includes the election of directors, the shareholders may submit, in writing, proposals for the election of directors within 15 days from the date of publication of the notice of meeting. The application of cumulative voting is subject to voting at the GMS only if the request is made by shareholders who, alone or together, hold between 5% and 10%. In the case of a request from one or more shareholders who together hold more than 10% of the capital, the application of cumulative voting is mandatory.
- Shareholders have the right to request and receive copies of the GMS materials.

9. Voting rights

Each share subscribed and paid up by the shareholders confers on them the right to one vote in the GMS, the right to elect and to be elected to the governing bodies, the right to participate in the distribution of profits, as well as other rights provided for in the Articles of Association. The exception is for voting rights suspended or registered with Depozitarul Central for this purpose. Electromagnetica will publish on the company's website the total number of shares and the total number of voting rights on the reference date. The Company intends to ensure the right to equal treatment for all shareholders who are in the same position in terms of participation and exercise of voting rights in the GMS. Shareholders have, among other things, the right to participate in the GMS and to have access to sufficient information about the matters under discussion at the GMS.

In accordance with the company's articles of association, with reference to the provisions of art. 105(23³) of the Law no. 24/2017 on issuers of financial instruments and market operations, the position of "abstention" expressed by a shareholder or by a representative present with respect to items on the agenda of the shareholders' general meetings represents a vote expressed with respect to those agenda items.

10. Methods of voting

10.1. Voting directly, in person, within the GMS

Direct voting in the GMS is exercised by open ballot and/or by the use of ballot papers by the shareholders or their representatives in the case of a secret ballot. Voting is conditional upon proof of the identity of the shareholders or their representatives.

10.2. Voting by proxy

Each shareholder registered on the record date has the right to appoint, on the basis of a special power of attorney, any other individual or legal entity, other than directors, as proxy to attend and vote on his behalf at the GMS. The proxy shall enjoy the same rights to vote, to speak and to put questions at the General Meeting of Shareholders as the shareholder he/she represents would enjoy. In order to be appointed as a proxy, that person must have the capacity to act. The special power of attorney shall be drawn up 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 obliged to update the special power of attorney form.

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

- The identification data of the Electromagnetica SA shareholder and the indication of its ownership, in relation to the total number of shares and the number of voting rights, in relation to the total number of voting rights.
- Identification data of the representative
- Date, time and place of the GMS for which the power of attorney was given
- Date of issue of the special power of attorney. Powers of attorney issued at a later date revoke the previous ones.
- Indication of each item on the agenda and the shareholder's option "for", "against" or "abstain".

Note:

- *Vote cast* - marking of the option to vote "for", the option to vote "against" or the mention "abstain".
 - *vote not expressed* - no option marked
 - *cancelled vote* - marking more than one option (vote "for", vote "against" and vote "abstain") or marking an option different from the one formulated by the shareholder in the special power of attorney
 - votes not cast are not taken into account when determining the votes cast
 - cancelled votes shall not be taken into account in determining the votes cast
- Name in clear and signature of the shareholder.

The special power of attorney is only valid at the GMS for which it has been requested. The proxy is obliged to vote in accordance with the instructions given by the appointing shareholder, under penalty of the vote being cancelled. The person representing more than one shareholder on the basis of special powers of attorney shall vote by totaling the number of "for" votes, "against" or "abstain", without offsetting them.

Special powers of attorney, filled in by the shareholder either in Romanian or in English and signed on each page, shall be submitted in original at the company's registered office, sent by courier, by mail with confirmation of receipt or sent with an extended electronic signature to the email address specified in the notice of meeting, at least 48 hours before the meeting, under penalty of losing the right to vote at that meeting. The special powers of attorney, accompanied by the shareholder's identification documents and those attesting to the signatory's capacity as proxy, as the case may be, must be submitted in a sealed envelope with the following wording on the envelope: **"POWERS OF ATTORNEY FOR THE ORDINARY AND/OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF**".

For shareholders benefiting from custody services, the special power of attorney for participation and voting at an GMS, given by the shareholder to a credit institution providing custody services, must be signed by that shareholder and be accompanied by an affidavit given by the credit institution that has been granted the power of representation by special power of attorney, stating that:

- the credit institution provides custody services for the shareholder;
- 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 the shareholder;
- the special power of attorney is signed by the shareholder.

The special power of attorney and the credit institution's declaration must be lodged with the company in original, signed and, where applicable, stamped. The powers of attorney will be retained by the company and a mention of this will be made in the minutes.

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

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

- it has not been submitted on time
- it does not contain the name and signature of the shareholder
- it does not contain the shareholder's identification data
- it is not accompanied by the shareholder's identification documents and the documents attesting the signatory's capacity as authorized signatory;
- does not contain the name of the authorized signatory;
- the person in charge is incompatible (members of the Board or employees).

Powers of attorney affected by flaws such as contradictory or conditional options, illegible writing, etc., will only be taken into account when considering the quorum and the votes will be annulled.

10.3. Voting by correspondence

Voting by correspondence may be used by any shareholder, individual or legal entity. For this purpose, the Company will make available on the Company's website postal voting forms, in Romanian and English, with the following minimum content:

- the identification data of the Electromagnetica SA shareholder and the indication of its ownership, in relation to the total number of shares and the number of voting rights, in relation to the total number of voting rights.
- date, time and place of the GMS for which the postal ballot was completed

- date of issue of the postal ballot. Those issued at a later date revoke the previous ones.
- the specification of each item on the agenda and the shareholder's option "for", "against" or "abstain". A note will specify that the shareholder must choose only one option, otherwise the vote will be void.

Note:

- *Vote cast* - marking of the option to vote "for", the option to vote "against" or the mention "abstain".
 - *vote not expressed* - no option marked
 - *cancelled vote* - marking more than one option (vote "for", vote "against" and vote "abstain") or marking an option different from the one formulated by the shareholder in the special power of attorney
 - votes not cast are not taken into account when determining the votes cast
 - cancelled votes shall not be taken into account in determining the votes cast
- name in clear and signature of the shareholder.

The postal ballot is only valid at the GMS for which it was completed.

Postal ballot papers, completed by the shareholder in either Romanian or English, signed, shall be submitted in original at the registered office of the company, sent by courier, by post with acknowledgement of receipt or sent with an extended electronic signature to the email address specified in the notice of meeting, at least 48 hours before the meeting under penalty of forfeiture of voting rights at that meeting. The postal ballot papers, accompanied by the shareholder's identification documents and those attesting to the signatory's capacity as proxy, as the case may be, must be submitted in a sealed envelope bearing the following wording: **"POSTAL BALLOT FOR THE ORDINARY AND/OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF ..."**.

For shareholders benefiting from custodian services, the postal ballot signed by the shareholder may be submitted without further documents if accompanied by an affidavit given by the legal representative of the credit institution stating that:

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

The postal voting form and the declaration of the credit institution must be submitted to the company in original, signed and, where applicable, stamped. A postal ballot may be disregarded in the following situations:

- it has not been submitted on time
- it does not contain the name, date and signature of the shareholder
- it does not contain the shareholder's identification data and the number of shares/votes
- it is not accompanied by the shareholder's identification documents and the documents attesting the signatory's capacity as authorized signatory

Ballots affected by defects such as contradictory or conditional options, illegible writing, etc., will be taken into account only for the quorum of the meeting and the votes will be cancelled. A postal vote may be amended by submitting a new ballot paper within the deadline. If a shareholder who has voted by postal ballot attends the meeting, the postal ballot shall be cancelled and the vote cast directly at the meeting shall be taken into account.

10.4 Place of registration of powers of attorney/vote by correspondence/ GMS questions/completion of agendas/candidates

Powers of attorney, postal votes, questions addressed to the GMS, completion of agendas, proposal of candidates, as well as any other documents related to the GMS, can be submitted within the legal term to the General Secretariat of the company, with a mention to the attention of the Legal Office, **FOR THE ORDINARY AND/OR EXTRAORDINARY MEETING SHAREHOLDERS OF.....**

11. Reference date and date of registration

Only shareholders entered in the register of shareholders on the reference date, drawn up by the Depozitul Central, may attend the GMS directly, by correspondence or by special power of attorney and may vote only after proving their identity, under penalty of invalidation of the vote.

The effects of the resolutions of the GMS shall apply to the shareholders registered in the register of shareholders on the record date, which shall be determined by the GMS at a date at least 10 business days after the date of the GMS.

12. Access to the General Meeting

The access of shareholders to the GMS of Shareholders shall be made by simple proof of their identity, made in case of individual shareholders with their identity card. In the case of legal entity shareholders and represented individual shareholders, access is based on a special power of attorney given to the person representing them. The documents required for the identification of shareholders are those mentioned in chapter 5, *Documents attesting the identity of the shareholder and the capacity of representative*.

13. Quorum and registration date

Shareholders present at the meeting (directly or by proxy) as well as those who have sent a valid postal vote will be taken into account by the secretariat of the meeting when determining the weight of the share capital represented at the meeting out of the total share capital of Electromagnetica S.A., in order to establish the quorum required for the meeting and the validity of the resolutions adopted.

14. Cumulative voting

If the agenda includes the election of the members of the Board of Directors, and this is done by cumulative voting method, each shareholder has the right to assign his cumulative votes (the votes obtained by multiplying the votes held by any shareholder, according to the participation in the share capital, by the number of directors to be appointed to the Board of Directors) to one or more persons proposed to be elected to the Board of Directors. Incorrect completion of the cumulative voting form entails the cancellation of the entire ballot paper. If the ballot form does not show the number of cumulative votes allocated to each candidate, the total number of cumulative votes will be divided equally among the candidates for whom the shareholder voted "for".

The application of the cumulative voting method implies the election of the entire Board of Directors at the same GMS. The minutes of the meeting will record the completion of the formalities for the application of the cumulative voting method.

15. Confidentiality of the vote

The Company shall keep the records and the confidentiality of votes cast by correspondence and special powerS of attorney deposited at the registered office of the Company secure until the relevant resolutions on the agenda have been put to the vote.

16. Validation of votes

Each shareholder present at the meeting receives a ballot paper bearing the company's stamp, on which are entered the number of shares held, the number of votes and all the items on the agenda, as well as the options "for", "against" or "abstain".

- *vote cast* - marking of the option to vote "for", the option to vote "against" or the mention "abstain".
- *vote not expressed* - no option marked
- *cancelled vote* - marking more than one option (vote "for", vote "against" and vote "abstain") or marking an option different from the one formulated by the shareholder in the special Power of attorney
- votes not cast are not taken into account when determining the votes cast
- cancelled votes shall not be taken into account in determining the votes cast

The GMS secretariat will verify the concordance between the data entered by the shareholder in the postal ballot and those in the register of shareholders on the reference date as well as the concordance between the special power of attorney and the ballot papers completed by the proxies.

Only ballots that contain all the identification elements required for the signatory and have a single character "X" written next to the dots on the ballot will be considered valid.

After casting the vote, the ballots are retained and archived at the company.

17. Conduct of the GSM debates

The General Meeting of Shareholders is chaired by the Chairman of the Board of Directors or a person acting in his place. The chairman or his substitute shall open the meeting and propose, from among the shareholders present, the election of a secretariat. The secretary checks the attendance list of shareholders and the fulfilment of all the formalities required by law and by the articles of association for holding the GMS.

The chairman or his deputy may appoint one or more technical secretaries from among the company's employees to support the work of the meeting secretariat. Once the legal requirements and the provisions of the articles of association have been met, the agenda is drawn up. GM resolutions are taken by open vote. Secret ballot is compulsory only for:

- election and removal of directors or auditors;
- taking decisions on the liability of the members of the administrative, management and supervisory bodies of the Company.

Shareholders have the right to request the recording of their statements made during the debates at the GMS meeting.

18. Minutes of the meeting and resolutions

The GMS secretariat will draw up the minutes of the meeting to which the documents relating to the convening of the meeting and the attendance lists of the shareholders will be attached. The minutes, signed by the person who chaired the meeting and the secretary, shall record the fulfilment of the convening formalities, the date and place of the GMS, the shareholders present, the number of shares, the debates in summary, the resolutions taken, and, at the request of the shareholders, the statements made by them at the meeting. The minutes shall be entered in the register of general meetings. Resolutions of general meetings shall be signed by the chairman of the meeting and the secretary of the meeting. In order to be enforceable against third parties, the resolutions of the general meetings shall be submitted within 15 days to the Trade Registry Office to be mentioned in the register and published in the Official Gazette of Romania, Part IV. The resolutions will be published within the same period on the company's website. The resolutions will also be brought to the attention of the shareholders by sending the current report to the Financial Supervisory Authority and Bucharest Stock Exchange for publication on the market operator's website www.bvb.ro.

19. Opposability of resolutions

The resolutions of the General Meeting of Shareholders are binding even for shareholders who are absent, represented or voted against. Shareholders who did not take part in the GMS or those who voted against it and asked for it to be included in the minutes of the meeting, have the right to challenge the GMS resolutions in court within 15 days from the date of publication in the Official Gazette of Romania, Part IV.

Shareholders who did not vote in favor of a resolution of the AGM have the right to withdraw from the company and to request the purchase of their shares by the company, only if the GMS resolution has as its object:

- a) a change in the main object of activity;
- b) relocation of the registered office of the company;
- c) changing the form of the company;
- d) merger or division of the company;

The right of withdrawal can be exercised:

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

Shareholders shall submit a written declaration of withdrawal to the company's registered office. The price paid by the company for the shares of the person exercising the right of withdrawal shall be determined by an independent certified expert, in accordance with the relevant legal provisions. The expert shall be appointed in accordance with the applicable legal provisions.

This Regulation was approved at the meeting of the Board of Directors on