

SPECIFICATIONS
on the implementation of cumulative voting method
for the election of the Board of Directors

Given that the shareholders:

- TUDOR DUMITRU – natural person, holding a number of 8,942,193 shares, representing 12.8177% of SC ELECTROARGES SA's share capital and
- S.C. CONSTANTIN RELATIVE INVESTMENTS SRL – legal person, holding a 36.8375% share stake of SC ELECTROARGES S.A.'s share capital

requested on 09.08.2016, respectively 11.08.2016. election by cumulative voting of a new Board of Directors formed of 5 administrators,

In accordance with art. 235 of Law no. 297/2004 on the capital market and art.125-129 of C.N.V.M. Regulation 1/2006, we hereby give the following **specifications on the implementation of the cumulative voting method** for the election of the Board of Directors, for the shareholders with voting right in the S.C. ELECTROARGES S.A.'s Ordinary General Meeting of Shareholders of 07/08.09.2016.

Using the cumulative voting method, each shareholder has the right to give his cumulative votes (**votes obtained as a result of multiplying the votes held by any shareholder, in accordance with the share capital stake, with the number of administrators to form the Board of Directors – 5**) to one or more candidates for the Board of Directors.

The administrators in position until the date of the general meeting are by right placed on the list of candidates for the new Board of Directors.

The cumulative voting method implies the election of the entire Board of Directors, formed of at least five members, in the same General Meeting of Shareholders.

The administrators in position on the date of the general meeting who are not re-elected by cumulative voting for the new Board of Directors are considered as revoked, and as a consequence their mandate is terminated.

In exercising the cumulative voting, the shareholders may give all the cumulative votes to a single candidate or to more candidates. Next to the name of each candidate, the shareholders shall specify the given number of votes.

The number of cumulative votes which every shareholder is entitled to is written on a coupon received on entering the meeting hall, which shall be attached to the ballot, in final form. At General Meeting of Shareholders's decision, the number of cumulative votes may be written directly on the ballot, in final form, distributed to each shareholder.

Under the penalty of cancelling the ballot, the number of votes given by a shareholder shall not be greater than the number of cumulative votes held by the shareholder.

Candidates with the most cumulative votes in the general meeting shall be appointed as members of the Board of Directors of that company admitted to trading on a regulated market.

In case that two or more candidates for the Board of Directors have the same number of cumulative votes, then as a member of the Board of Directors shall be appointed the candidate who has been voted by a greater number of shareholders.



Criteria for electing the members of the Board of Directors in case that two or more candidates have the same number of cumulative votes from the same number of shareholders shall be established by General Meeting of Shareholders and specified in the meeting report.

The Report of the general meeting of shareholders, signed by the meeting chairman and secretary, holds that all the formalities concerning the cumulative voting method are met, respectively the meeting date and place, the number of attending shareholders, the number of shares, the number of votes given and their allocation, the debates synopsis, the decision taken, and at the shareholders' request, the statements made by them in the meeting.

The documents concerning the implementation of the cumulative voting method shall be attached to the Meeting Report.

The Report is registered in the General Meetings Register.

The implementation of the cumulative voting method may be done following the guidance model presented below.

Guidance model for electing the Board of Directors of a trading company admitted to trading on a regulated market by cumulative voting method (in accordance with Annex no. 36 of the CNVM Regulation no. 1/2006):

1. A trading company has a share capital subscribed and fully paid of 1,000 u.m. divided in 1,000 shares with a nominal value of 1 u.m. Participation of the shareholders in the share capital is as follows:

- Shareholder 1 ... 550 shares representing 55% of the share capital
- Shareholder 2 ... 150 shares representing 15% of the share capital
- Shareholder 3 ... 100 shares representing 10% of the share capital
- Shareholder 4 ... 100 shares representing 10% of the share capital
- Shareholder 5 ... 100 shares representing 10% of the share capital

2. In accordance with the company's Articles and Memorandum of Association, each paid share gives the right to one vote in General Meeting of Shareholders.

3. The company shall be administrated by a Board of Directors formed of 5 memebbers, they will be elected by cumulative voting method at the request of Shareholder 3. For the position of member of the Board of Directors run a total of 7 people.

4. The volume of cumulative votes for each shareholder is as follows:

- Shareholder 1 ... 2,750 cumulative votes (550*5)
- Shareholder 2 ... 750 cumulative votes (150*5)
- Shareholder 3 ... 500 cumulative votes (100*5)
- Shareholder 4 ... 500 cumulative votes (100*5)
- Shareholder 5 ... 500 cumulative votes (100*5)

5. In General Meeting of Shareholders, the cumulative voting for electing the Board of Directors were given as follows:

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	Pers. 1	Pers. 2	Pers. 3	Pers. 4	Pers. 5	Pers. 6	Pers. 7	Total
Shareholder 1	751	751	751	497				2750
Shareholder 2					750			750
Shareholder 3					500			500
Shareholder 4						350	150	500
Shareholder 5					250	147	103	500
Total	751	751	751	497	1500	497	253	5000

6. As a result of this vote, have been elected as members of the Board of Directors:

Pers. 5 who had a number of 1,500 cumulative votes.

Pers. 1 who had a number of 751 cumulative votes.

Pers. 2 who had a number of 751 cumulative votes.

Pers. 3 who had a number of 751 cumulative votes.

Pers. 6 who had a number of 497 cumulative votes, but was voted by 2 shareholders.

General Manager,
Gavrila Ion

