

*Translation from
Romanian*

**FOR THE ATTENTION OF
THE FINANCIAL REGULATOR -
THE FINANCIAL INSTRUMENTS AND INVESTMENT SECTOR**
Issuers, Transaction Monitoring and Market Abuse Department
Fax: 021 6596051/6596436

Current report in accordance with: Law 24/2017 on the issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on the issuers of financial instruments and market operations.

Report date: 01.07.2020

Issuer's name: ELECTROARGES SA, BSE code: elgs

Registered office: Curtea de Arges, str. Albești, nr. 12, jud. Arges

Telephone/fax number: 0248724000/0248724004

Trade Register Registration Code: RO156027

Trade Register Registration Number: J03/758/1991

Share capital subscribed and paid: 6,976,465.00 lei

Regulated Market trading the issued securities:

BSE – main market, standard category

Important events to report:

Board of Directors informs the shareholders and potential investors about the following:

- Summoning of the Electroarges S.A. Ordinary and Extraordinary General Meeting of Shareholders on August 4th 2020, first summons and August 5th 2020, the second summons. We present below the complete content of the summons of the two meetings, in the form sent for publication:

SUMMONS

Electroargeş S.A.'s Board of Directors, a company registered in the Trade Register with no. J03/758/1991, Tax Registration Code: RO 156027, with the registered office in Curtea de Argeş, str. Albesti nr. 12, jud. Argeş, e-mail: electroarges@electroarges.ro, bank account: RO93 RZBR 0000 0600 1804 1689 opened at Raiffeisen Bank, represented by Constantin Ştefan – Chairman of the Board of Directors, in compliance with the provisions of Law 31/1990 on companies, Law 24/2017, the ASF Regulation no.5/2018 and the provisions of the Electroargeş S.A.'s Articles of Association, **summons at the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges:**

- **The Ordinary General Meeting of Shareholders on 04.08.2020, 10.00 o'clock;**
- **The Extraordinary General Meeting of Shareholders on 04.08.2020, 11.00 o'clock;**

All shareholders nominally registered in the Shareholders' Register at the end of 16.07.2020, which is the date of reference, have the right to attend and vote in the ordinary general meeting.

If the legal conditions of quorum for the Ordinary General Meeting of Shareholders to be held are not met on the first summons, the meeting shall be summoned again **05.08.2020, 10.00 o'clock**, and the Extraordinary Meeting of Shareholders shall be summoned again **on 05.08.2020, 11.00 o'clock, at the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges.**

THE ORDINARY GENERAL MEETING OF SHAREHOLDERS has the following

AGENDA:

1. Approval of the Individual Financial Statement for the financial year 2019 based on the Board of Directors' and the Financial Auditor's Reports.
 2. Approval of the distribution of net profit from the financial year 2019
- The Board of Directors' proposal is that the net profit realized in the financial year 2019 to be

distributed as follows:

a) The distribution of 625,249.90 lei from the profit for the year 2019 in "Reserves - Fixed assets from reinvested profit".

b) Distribution of the profit difference for the year 2019 to its own development sources.

• The Board of Directors informs the shareholders that the Board of Directors' detailed proposal and other proposals of the shareholders that will be made under Art. 117¹ of Law 31/1990R, will be published on the website: www.electroarges.ro in the "Useful Information / Communications" section, will be included in the Special Power of Attorneys and Absentee Ballot papers and will be submitted to the discussion and vote in the Ordinary General Meeting of Shareholders.

3. The distribution of a gross dividend in the amount of 0.06 lei per share, out of the profit undistributed for 2012.

4. Discharge of the Managing Directors for the financial year 2019.

5. Presentation and approval of Electroargeş S.A.'s consolidated financial statement for 2019, prepared according to IFRS.

6. Analysis and approval of the Income and Expenditure Budget for 2020.

7. Approval of the Investment Program for 2020 and mandating the Board of Directors to approve the modification of the program according to the specific economic needs of the Company.

8. Approval of the List of depreciable fixed assets and inventory items proposed for disposal and recovery through sale in 2020 and mandating the Board of Directors to approve their sale in 2020, according to the legal provisions, within the Board of Directors' competence provided by applicable laws.

9. The Board of Directors' mandate by the Ordinary General Meeting of Shareholders in 2020 to approve the contracting of loans and extending the current credit lines for production and investment, pledging of assets and assignment of receivables necessary for contracting credits, in accordance with applicable laws, within the Board of Directors' competence provided by applicable laws.

10. Approval of the Amortization of Tangible and Intangible Assets Regime for the financial year 2020, in accordance with the applicable laws.

11. Mandating the Board of Directors, if the Ordinary General Meeting of Shareholders approves the distribution of dividends, to approve and undertake all legal and administrative steps to pay dividends to shareholders within the legal deadline provided by laws and regulations for the capital market.

12. Approval as date of registration, in accordance with the provisions of art. 86, paragraph 1 of Law 24/2017 and ASF Regulation 5/2018 to be 17.09.2020, ex-date 16.09.2020 and payment date 28.09.2020.

13. Ratification of the Electroargeş S.A.'s Board of Directors' Decisions: 227/26.02.2019,

228/15.03.2019, 229/25.03.2019, 230/23.04.2019, 231/08.07.2019, 232/15.07.2019,
233/18.10.2019, 234/28.12.2019, 235/21.01.2020, 236/28.02.2020, 237/16.03.2020,
238/24.04.2020 and 239/30.06.2020.

14. Approval of SC ELECTROARGES SA's Organizational Chart for 2020 and mandating the Board of Directors to change the Organizational Chart according to the specific economic needs of the Company, according to the Articles and Memorandum of Association art.22.1.

15. The appointment of the Board of Directors' Chairman and/or the Vice-Chairman to authorize the person or the persons to take the necessary steps with Argeş Trade Register Office and wherever necessary for registering the decision and other documents approved by the Ordinary General Meeting of Shareholders of 04,05.08.2020.

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS has the following

AGENDA:

1. Approval of completing the secondary business activities of Electroarges S.A., with the following activities, respectively completing the list of secondary business activities from art. 6 of the Articles of Incorporation as follows:

Article 6. (...)

Secondary activities:

- (...)
- 2229 - Manufacture of other plastic products;
 - 2550 - Manufacture of metallic products obtained by plastic deformation;
 - 2562 - General mechanics operations;
 - 2573 - Manufacture of tools;
 - 2824 - Manufacture of electrically operated portable machine tools;
 - 2932 - Manufacture of other parts and accessories for motor vehicles and engines;
 - 3240 - Manufacture of games and toys;
 - 4677 - Wholesale of waste and scrap.

2. Approval of the extension of the credit line in the amount of 18,000,000 lei and the contracting of a term credit facility (investment credit) in a maximum amount of 47,160,422 lei, contracted from Raiffeisen Bank S.A.

The credit facility with a maximum amount of 47,160,422 lei will be contracted only in the case of approving the Application for financing with state aid according to GD no. 807/2014 for "Extending the production capacity of home appliances in Curtea de Argeş", submitted by Electroarges S.A. in January 2020.

3. The approval that, in order to guarantee the extension of the credit facility in the amount of 18,000,000 lei as well as the guarantee of the term credit facility in the amount of 47,160,422 lei, the following guarantees are constituted:

- a) movable mortgage on the company's accounts (current and / or other accounts) opened with Raiffeisen Bank SA;
- b) movable mortgage on the stock of raw materials, semi-finished and finished products;
- c) movable mortgage on the equipment financed from the term facility;



- d) movable mortgage on the universality of the debts;
- e) mortgage on the cashings related to the guarantee letters for guaranteeing the advance;
- f) assignment of the rights resulting from the insurance policy for the mortgaged goods in favor of Raiffeisen Bank, a policy concluded with an approved insurer;
- g) real estate mortgage on buildings located in Curtea de Arges, str. Albesti, nr. 12, jud. Arges, the property of Electroarges SA, as follows:
- land within the built-up area - buildings and adjoining areas with an area of 1,555 square meters and the construction C1 built on it, having Land Register no. 81264, registered in the Land Book no. 81264 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 1,152 square meters and the constructions C1, C2 and C3 built on it, having Land Register no. 81267, registered in the Land Book no. 81267 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 4,992 square meters and the constructions C1, C2 built on it, having Land Register no. 81265, registered in the Land Book no. 81265 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 1,411 square meters and the constructions C1, C3 built on it, having Land Register no. 81268, registered in the Land Book no. 81268 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 366 sqm and the construction C1 built on it, having Land Register no. 81266, registered in the Land Book no. 81266 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 3,490 sqm and constructions C1, C2 built on it, having Land Register no. 81269, registered in the Land Book no. 81269 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 8,666 square meters and the constructions C1, C2, C3 built on it, having Land Register no. 81272, registered in the Land Book no. 81272 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 741 square meters and the constructions C1 and C3 built on it, having Land Register no. 81270, registered in the Land Book no. 81270 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 3,687square meters and the constructions C1, C2, C3, C4, C5, C6, C7, C8 built on it, having Land Register no. 81273, registered in the Land Book no. 81273 of Curtea de Arges.
 - land within the built-up area - buildings and adjoining areas with an area of 39,433 square meters and the constructions C1, C2, C4, C9, C11, C12, C21, C23, C24, C28, C29, C30, C31, C33 built on it, having Land Register no. 81271, registered in the Land Book no. 81271 of Curtea de Arges.

4. Approval that, until the date of settlement of all the obligations assumed by the company towards the bank, through the credit facility contracts, the company undertakes to follow the contractual clauses.

5. Mandating the Chairman of the Board of Directors and/or the Vice-Chairman and/or the Economic Adviser and/or the Economic Director, to sign on behalf of the company the credit facility contract, the real estate mortgage contract, the movable mortgage contract on the accounts, the debt assignment contract, the movable mortgage contracts adjacent to the credit facilities, the additional documents for the extension of the facility, as well as any other documents/statements necessary for these documents to validly engage the company in these operations.



6. Mandating the Economic Advisor and/or the Economic Director to sign on behalf of the company any document related to the use of the facility granted by Raiffeisen Bank SA.
7. Approval of the opening of a secondary office/workplace in Bucuresti, in order to carry out administrative and management activities for Electroarges S.A. and mandating the Chairman of the Board of Directors, Mr. Constantin Ștefan for the identification and/or contracting of the space where this workplace will be opened, as well as for its registration at the Trade Register Office. In order to fulfil the mandate, Mr. Constantin Ștefan will be able to issue a decision that will identify the location where the respective secondary office/workplace will be opened.
8. Mandating the Chairman of the Board of Directors and/or of the Vice-Chairman to authorize the person or persons to take the necessary steps with Argeș Trade Register Office and wherever necessary for registering the decision and other documents approved by the Extraordinary General Meeting of Shareholders of 04,05.08.2020.

Shareholders' rights to attend the general meetings

Shareholders registered in the Shareholders' Register held by the Depozitarul Central S.A. Bucharest on the date of reference may personally attend the general meeting, by legal representatives (in the case of legal persons) or by a representative based on a Special or General Power of Attorney, or may vote by Absentee Ballot (by written form or by electronic means). The shareholders may be assisted by attorneys/legal advisers in the general meeting of shareholders.

The access of the shareholders entitled to attend the general meeting of shareholders is allowed by the mere proof of their identity, made in the case of the natural person shareholders with the identity card or, in the case of legal persons and the represented legal person shareholders, with the Power of Attorney offered to the natural person representing them, in compliance with the applicable legal provisions and the provisions contained in this Summons.

In the case of legal person shareholders or entities without legal personality, the capacity of legal representative is established based on the list of shareholders from the date of reference, received from Depozitarul Central and the legal representative's identity card. If, at the date of reference, the Shareholders' Register does not contain data on the legal representative's status, this capacity shall be proved by a certificate issued by the Trade Register, submitted in original, or a copy according to the original, issued no more than 30 days prior to the publication of the Summons of the general meeting of shareholders.

Shareholders who are not able of exercising their rights, as well as the legal persons, may be represented by their legal representatives, who in turn may authorize other persons.

Natural or legal person shareholders registered at the date of reference may be represented in the general meeting by persons other than the shareholders based on a Special Power of Attorney.

For this type of voting, the Special Power of Attorney forms must be used, which will be provided by the company's Board of Directors, or a General Power of Attorney, prepared in accordance with the Law 24/2017 and of the ASF Regulation no. 5/2018.

Shareholders who are legal persons or entities without legal personality who participate in the general meeting by a person other than the legal representative, must use a Special or General



Power of Attorney under the abovementioned conditions.

Special Power of Attorney forms will be available from July 4th, 2020 at the company's registered office, and on the company's website, www.electroarges.ro, under "Useful Information / Communications" heading.

The shareholders will fill in and sign the Special Power of Attorney in three original copies: one for the shareholder, one for the representative and one for the company. The copy for the company, filled in and signed, shall be submitted personally or send:

1. by any type of courier, in original, together with the accompanying documents at the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges, so that it could be registered with the company at least 48 hours before the general meeting of shareholders, until 02.08.2020, 10.00 o'clock, for the ordinary general meeting, and 02.08.2020, 11 o'clock, for the extraordinary general meeting, respectively, under the sanction of losing the voting right.

2. by e-mail - with extended electronic signature incorporated according to the Law no. 455/2001 on the electronic signature at electroarges@electroarges.ro and office@1electroarges.ro at least 48 hours before the general meeting of the shareholders, namely until 02.08.2020, 10.00 o'clock, for the ordinary general meeting, and 02.08.2020, 11 o'clock for the extraordinary general meeting, respectively, under the sanction of losing the voting right.

The company will accept a General Power of Attorney for attending and voting in the general meeting of shareholders, issued for a period of maximum three years, offered by a shareholder, as a client, to an intermediary defined according to art. 2 paragraph (1) section 20 of the Law no. 24/2017, or to an attorney, without requiring additional documents regarding the respective shareholder, if the General Power of Attorney complies with the provisions of art. 92 paragraph 13 of the Law 24/2017, is signed by the respective shareholder and is accompanied by a declaration on his/her own responsibility given by the intermediary's legal representative or by the attorney who received the authorization by General Power of Attorney, from which results that:

- (i) authorization is given by that shareholder as a client, to the intermediary or, as the case may be, to the attorney;
- (ii) the General Power of Attorney is signed by the shareholder, including by attaching extended electronic signature, if applicable.

The statement made by the intermediary's legal representative or the attorney who received the authorization by General Power of Attorney must be submitted in original at the company's registered office, signed and, as the case may be, stamped, at the same time with the General Power of Attorney, no later than 48 hours prior to the general meeting of shareholders (02.08.2020, 10.00 o'clock, for the ordinary general meeting, and 02.08.2020, 11 o'clock for the extraordinary general meeting), in case of first use.

Shareholders could not be represented in the general meeting of shareholders, based on a General Power of Attorney, by a person who is in a situation of conflict of interest in accordance with the provisions of art. 92 paragraph (15) of Law no. 24/2017.

General Power of Attorney forms are submitted to the company 48 hours before the general meeting (not later than 02.08.2020, 10.00 o'clock, for the ordinary general meeting, and 02.08.2020, 11 o'clock for the extraordinary general meeting), as a certified copy or including the mention of conformity with the original, with the representative's signature.

Vote by correspondence

Shareholders have the opportunity to vote by correspondence before the general meeting of shareholders using the Absentee Ballot forms provided by the company.

The Absentee Ballot forms will be available beginning with July 4th 2020 at the company's registered office and on the company's website at www.electroarges.ro, under "Useful Information / Communications" heading.

Under the sanction of losing the voting right, the Absentee Ballot forms filled in and signed by the shareholders, together with all the accompanying documents, are submitted to the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges, to be registered until 02.08.2020, 10.00 o'clock, for the ordinary general meeting, and 02.08.2020, 11 o'clock for the extraordinary general meeting, as follows:

- (i) by any type of courier – the Absentee Ballot form submitted in original, on paper;
- (ii) by e-mail - with extended electronic signature incorporated according to Law no. 455/2001 on the electronic signature, at electroarges@electroarges.ro and office@1electroarges.ro.

The Absentee Ballot forms are submitted together with the following documents:

- (i) In the case of natural person shareholders, the forms must be accompanied by a copy of the identity card;
- (ii) In the case of legal persons shareholders, it must be accompanied by documents certifying the entry of the information regarding the legal representative, respectively a certificate of attestation (providing information) issued by the Trade Register, presented in original or certified copy, with a maximum of 30 days reported on the date of publication of the convocation of the general meeting, certifying the status of legal representative, as well as the copy of the legal representative's identity card.

In case the shareholder, who voted by correspondence, attends personally or by a representative the general meeting, the vote by correspondence will be canceled. In this case, only the vote cast in person or by the representative will be considered.

If the person who represents the shareholder by personal attendance in the general meeting is different from the one who voted by correspondence, then, for the validation of the vote, he/she will present in the meeting a written revocation of the vote by correspondence signed by the shareholder or by the representative who voted by correspondence. This is not necessary if the shareholder or his legal representative is attending the general meeting.

ATTENTION!

Considering the epidemiological situation determined by the spread of COVID-19 on the Romanian territory and the measures taken by the authorities:

- we recommend the shareholders to use the means of voting by correspondence, as mentioned in the present summons.

- we request all shareholders who wish to attend the general meeting by the physical presence at the address mentioned in the Summons for holding the general meeting to notify the Board of Directors of this intention at least 5 (five) days before the date of the meeting, at the e-mail addresses electroarges@electroarges.ro and office@1electroarges.ro, in order to carry out all the

necessary preparations to protect the health of the participants, as well as to ensure strict compliance with the measures taken by the authorities.

Shareholders' right to insert new items on the agenda of the general meeting and make proposals for decisions on items existing or proposed to be included on the agenda.

According to the provisions of art.117¹ paragraph (1) of Law no. 31/1990 and art.92 paragraph (3) of the Law 24/2017, one or more shareholders representing, individually or together, at least 5% of the Company's share capital, may ask the company's Board of Directors to insert additional items on the agenda of the general meeting and/or present draft decisions for the items included or proposed to be included on the agenda of the general meeting, subject to the following conditions:

- (i) In the case of natural person shareholders, the requests must be accompanied by a copy of the ID card;
- (ii) In the case of legal person shareholders, the applications must be accompanied by certificate issued by the Trade Register, presented in original or certified copy certifying the capacity of legal representative, with a maximum of 30 days reported on the date of publication of the convocation of the general meeting.
- (iii) They are accompanied by a justification and / or draft decision to be adopted;
- (iv) They are submitted and registered at the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges, by any type of courier, with acknowledgment of receipt, within 15 days from the publication of the Summons, in original, signed and, as the case may be, stamped by the shareholders or their legal representatives.

Shareholders' right to make enquiries on the agenda

Shareholders may ask the company questions through a written document to be submitted and registered at the company's registered office in Curtea de Arges, str. Albesti nr. 12, jud. Arges, by any type of courier, with acknowledgement of receipt, within five days of the publication of the Summons in the Official Gazette, in original, signed and, if necessary, stamped by the shareholders or their legal representatives.

The document containing the enquiries must be accompanied by:

- (i) In the case of natural person shareholders, the application must be accompanied by a copy of the identity card;
- (ii) In the case of legal person shareholders, the applications must be accompanied by certificate issued by the Trade Register, presented in original or certified copy certifying the capacity of legal representative, with a maximum of 30 days reported on the date of publication of the convocation of the general meeting.

The company may answer by posting the answer on the website www.electroarges.ro, under "Useful Information / Communications" heading or in the general meeting.

Documents related to the general meeting of shareholders

The financial statements, the Board's Report and the informative materials that are to be presented in the general meeting, the draft decisions, the voting procedure and the Special Power of Attorney form, the Absentee Ballot form, the Board of Directors' proposal and other shareholders' proposals that will be made under art. 117¹ of Law 31/1990R will be available at the company's registered office every working day, between 10.00-14.00 as of July 4th 2020, or information may be

requested at the company's registered office. They will also be published on the web site www.electroarges.ro, under ""Useful Information / Communications" heading.

- On 01.07.2020, ended the probationary period and the mandate of Electroargeş S.A. General Manager Mr. Adrian Puţinelu.

**CHAIRMAN
BOARD OF DIRECTORS,
CONSTANTIN ŞTEFAN**