

Translation from Romanian

ELECTROARGEȘ S.A.

ARGIS CURTEA DE ARGEȘ, str. Albești, nr. 12, Județ Argeș, ROMANIA

Tel. 0248724000, fax 0248724004

Share capital 6,976,465.00 lei, subscribed and fully paid; nominal value per share 0.10 lei.

Registered in Argeș Trade Register with No. J03/758/1991

Tax Code: 156027

**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: 05.08.2020

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

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

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 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:

The Chairman of the Electroargeş SA's Board of Directors informs the capital market supervisory bodies, shareholders and potential investors that on 04.08.2020, the Electroargeş SA AGOA (Ordinary General Meeting of Shareholders) and the AGEA (Extraordinary General Meeting of Shareholders) were held, at the first summons.

The following decisions were adopted in these meetings:

**DECISION NO. 107/04.08.2020
OF THE ORDINARY GENERAL MEETING
OF ELECTROARGEŞ S.A.'s SHAREHOLDERS,**

Registered in the Trade Register with No. J03/758/1991

Tax Registration Code: RO 156027

Legally summoned on 04.08.2020, at 10⁰⁰, at the Company's registered office in Curtea de Argeş, str. Albeşti nr.12, jud Argeş, the Ordinary General Meeting of SC Electroargeş S.A.'s Shareholders (the Meeting) was held, at the first summons, in accordance with the provisions of art. 112 of Law 31/1990R, Law 24/2017 and the Company's Articles and Memorandum of Association.

A number of 15 shareholders attended the meeting (13 in person and 2 by correspondence), in person or by correspondence, holding a number of 48,332,012 shares, representing 69.28% of the share capital.

The shareholders entered on the Attendance List were entitled to attend and vote in the Meeting according to the voting rights established by the Company's Shareholders Register on the date of reference **16.07.2020**.

A number of 4,424,208 are shares with the voting rights suspended, in accordance with ASF Decision no. 3501/11.25.2015.

Following the debates which were held in accordance with the provisions of Law 31/1990R and the Company's Articles and Memorandum of Association, the Ordinary General Meeting of Shareholders,

DECIDES:

1. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

The Individual Financial Statement for the financial year 2019 based on the Board of Directors' and Financial Auditor's Reports.

2. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

Approval of the distribution of net profit from the financial year 2019 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.

3. Does not approve with a majority of 55,77% votes, respectively 24,589,727 "AGAINST" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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

4. Approves the discharge of the Managing Directors Constantin Ștefan, Gavrilă Ion, Dumitru Tudor și Benjamins United SRL as follows:

- For Mr. Constantin Ștefan - the shareholders cast 44,089,308 votes, out of which 69.95% votes "FOR", representing 30,839,918 of the total valid votes cast in the Meeting;

- For Benjamins United S.R.L. - the shareholders cast 43,568,409 votes, out of which 69.59% were "FOR" votes, representing 30,319,019 of the total valid votes cast in the Meeting;

- For Mr. Gavrilă Ion - the shareholders cast 38,073,117 votes, out of which 65.20% votes "FOR", representing 24,823,727 of the total valid votes cast in the Meeting;

- For Mr. Tudor Dumitru - the shareholders cast 35,126,042 votes, out of which 100% votes "FOR", representing 35,126,042 of the total valid votes cast in the Meeting.

Does not approve the discharge of Investments Constantin S.R.L. with a majority of 51.20% votes (voting rights) "AGAINST", out of the total of 22,532,268 votes cast (in accordance with the voting right shares) in the Meeting.

5. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

Electroargeș S.A.'s consolidated financial statement for 2019, prepared according to IFRS.

6. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

The Income and Expenditure Budget for 2020.

7. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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

8. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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. Approves in unanimity, respectively 100% of the 44,089,308 "FOR" votes (voting rights) cast (in accordance with the voting right shares) in the Meeting:

Mandating the Board of Directors 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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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

11. As the distribution of dividends was not approved, it was not put to the vote:

Mandating the Board of Directors, in case the AGOA (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. As the distribution of dividends was not approved, it was not put to the vote:

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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

Ratification of the Electroarges S.A.'s Board of Directors' Decisions: 227/26.02.2019, 228/15.03.2019, 229/25.03.2019, 230/23.03.2019, 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. Approves with a majority of 56.30% votes "FOR" votes (voting rights), representing 24,823,727 out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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.

15. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

Mandating the Board of Directors' Chairman, Mr. Ștefan Constantin, to authorize the person or the persons to take the necessary steps with Argeș Trade Register Office, Notary, and wherever necessary for registering the decision and other documents approved by the Ordinary General Meeting of Shareholders of 04.05.08.2020.

DECISION NO. 108/04.08.2020
OF THE EXTRAORDINARY GENERAL MEETING
OF ELECTROARGEȘ S.A.'s SHAREHOLDERS,
Registered in the Trade Register with No. J03/758/1991
Tax Registration Code: RO 156027

Legally summoned on 04.08.2020, at 11⁰⁰, at the Company's registered office in Curtea de Argeș, str. Albești nr. 12, jud Argeș, the Extraordinary General Meeting of SC Electroargeș S.A.'s Shareholders (the Meeting) was held, at the first summons, in accordance with the provisions of art. 115 of Law 31/1990R, Law 24/2017 and the Company's Articles and Memorandum of Association.

A number of 15 shareholders attended the meeting (13 in person and 2 by correspondence), in person or by correspondence, holding a number of 48,332,012 shares, representing 69.28% of the share capital.

The shareholders entered on the Attendance List were entitled to attend and vote in the Meeting according to the voting rights established by the Company's Shareholders Register on the date of reference **16.07.2020**.

A number of 4,424,208 are shares with the voting rights suspended, in accordance with ASF Decision no. 3501/11.25.2015.

Following the debates which were held in accordance with the provisions of Law 31/1990R and the Company's Articles and Memorandum of Association, the Extraordinary General Meeting of Shareholders,

DECIDES:

1. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

Completing the Electroarges S.A.'s secondary business activities 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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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 Electroargeş S.A. in January 2020.

3. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

The guarantee of the credit facility extension 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 3,687 square 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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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. Approves with a majority of 56.30% votes, respectively 24,823,727 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

The opening of a secondary office/workplace in Bucharest, in order to carry out administrative and management activities for Electroargeş S.A. and mandating the Chairman of the Board of Directors, Mr. Constantin Ştefan 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 Ştefan will be able to issue a decision that will identify the location where the respective secondary office/workplace will be opened.

8. Approves with a majority of 69.95% votes, respectively 30,839,918 "FOR" votes (voting rights) out of the total of 44,089,308 votes cast (in accordance with the voting right shares) in the Meeting:

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 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.

**CHAIRMAN
BOARD OF DIRECTORS,
CONSTANTIN ŞTEFAN**