

*Translation from Romanian*

**ELECTROARGEŞ S.A.**

**CURTEA DE ARGES, str. Albeşti, nr. 12, Judeţ Argeş, 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 Argeş Trade Register with No. J03/758/1991**

**Tax Code: 156027**

**FOR THE ATTENTION OF**

**I. THE FINANCIAL REGULATOR -**

**THE FINANCIAL INSTRUMENTS AND INVESTMENT SECTOR**

**Fax: 021 6596051 / 6596436; and**

**II. B.V.B. S.A. BUCURESTI – AeRO Premium Market,**

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: 27.01.2021

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

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

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

Electroargeş SA informs the shareholders and potential investors the following:

i) Argeş Specialized Court, by the Court Conclusion pronounced on 22.12.2020 in the case no. 196/1259/2020 ("**Decision**"), partially admitted the sue petition and authorized summoning by the petitioner Tudor Dumitru of the Ordinary General Meeting of Electroarges SA's Shareholders ("**OGMS**") the meeting being set for 01.02.2021 (first summoning) and 02.02.2021 (second summoning). By the same Conclusion, the OGMS meeting agenda was established<sup>1</sup>.

ii) The shareholder and administrator Dumitru Tudor, pretexting the fact that the Decision would be enforceable, started the procedures to summon the OGMS (Annex 1).

iii) The shareholder, authorized by the court to summon the OGMS, has **not demonstrated so far that the Decision is enforceable**.

iv) The Court Decision is missing, as it has not yet been drafted and communicated to the parties, so that the arguments taken into account when pronouncing the Decision are not known.

v) **In the absence of an enforceable or final decision**, the shareholders and potential investors are informed about the fact that **no Electroarges SA OGMS will take place on 01 / 02.02.2021.**

Shareholders and potential investors **are informed about the non-enforceable nature of the Decision**, an aspect expressly retained by the Arges Specialized Court in the case no. 196/1259/2020, by:

a. **The preliminary Conclusion** pronounced in the case no. 196/1259/2020 on 17.11.2020, by which the court resolved the issue regarding the common law procedure incident in the case and which removes the enforceable character of the Decision.

b. **The final Conclusion** pronounced on 22.12.2020 in the case no. 196/1259/2020, the enforcement of which is pursued, the mention expressly required by the provisions of art. 425 paragraph 3 of the Civil Code, respectively **the "enforceable" mention is missing**; therefore, the court pronounced a solution that is not enforceable and which, being appealed, does not produce any legal effect.

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<sup>1</sup>[http://portal.just.ro/1259/SitePages/Dosar.aspx?id\\_dosar=125900000000040172&id\\_inst=1259](http://portal.just.ro/1259/SitePages/Dosar.aspx?id_dosar=125900000000040172&id_inst=1259)



In addition to those previously mentioned, we reiterate:

- The provisions of art. 425 paragraph (3) of the New Code of Civil Procedure states that "*in the final part of the enacting terms it will be shown **whether the decision is enforceable***"; thus, only the enacting terms attached to the decision, in which the express mention that the decision is enforceable is found, confers to the Conclusion an enforceable nature. **The Registry Certificate issued to Mr. Dumitru Tudor on 23.12.2020 (Annex 2) does not include the mention according to which the Conclusion is enforceable.**
- **The effects of the Conclusion are in accordance with the provisions established by the Constitutional Court by Decision no. 661/2008 (Annex 3), so that there can be no discussion on the way in which the legal provisions in the matter are interpreted, respectively:**

*"...the amendment of a text of law in the sense of removing the express reference to the norms of a special procedure, respectively the non-contentious one, **can only have the significance of the application of the common law, respectively of the contentious procedure.** Indeed, ..., **the legislator considered it more appropriate to apply the rules of contentious procedure. From the fact that the legal provisions regarding the non-contentious procedure are no longer applicable,** it results that **the decision pronounced in the litigation having as subject matter the authorization can be appealed against, according to the norms of common law contained by art. 282 of the Code of Civil Procedure;***

- **A decision of partial admission of the application was pronounced** - such a decision not being possible in the non-contentious procedure, but exclusively in the contentious one.
- **The court went through the contentious procedure, meaning that it summoned the parties for the trial terms, according to art. 201 of the New Code of Civil Procedure by the Resolution of 21.09.2020 (Annex 4)** - the fulfilment of the summons procedure being applicable only to the contentious procedure.
- **Electroarges filed an appeal on 19.01.2021** against the Conclusion of 22.12.2020 (Annex 5).

Therefore, from the above **it follows that any person (natural and legal) is obliged to comply with and follow the legal provisions and the enforceable effects of court decisions.** As the Decision in question is not enforceable, the shareholders and potential investors can take note of its pronouncement, but, not being enforceable, they cannot use it.

**Considering the aspects shown above, we inform the shareholders and potential investors regarding the fact that on 01 / 02.02.2021 no meeting of the Ordinary General Meeting of Shareholders will take place at the Electroarges SA headquarters.**

The annexes mentioned in the report are published on the company's website in the "Press Releases (Comunicate)" section.

**CHAIRMAN OF THE BOARD OF DIRECTORS,  
CONSTANTIN STEFAN**