

The Company
“MECANICA CEAHLAU” S.A.
- PIATRA NEAMT –

Attention to:
AUTHORITY FOR FINANCIAL MONITORING BUCHAREST [ASF]
BUCHAREST STOCK EXCHANGE
CURRENT REPORT

in compliance with the provisions under Law 24/2017 and of the Regulation N° 5/2018 of ASF

Report date: 26/04/2021

Issuing entity: S.C. “Mecanica Ceahlău” SA

Registered Office: Municipality of Piatra Neamt, Str. Dumbravei, N° 6

Phone/Fax: 0233/211104; 0233/216069

Unique Code of Registration with the Office of the Register of Commerce: 2045262

Register of Commerce Incorporation N°: J.27/8/1991

Social capital, subscribed and paid: Lei 23,990,846.00

Regulated Market on which movables issued are traded: [Bursa de Valori] Bucharest Stock Exchange

Important events to be reported: The Ordinary and Extraordinary General Meeting of Shareholders and Resolutions approved

1a. The Ordinary General Meeting of Shareholders and Resolutions approved

The Ordinary General Meeting of the Shareholders of the company “MECANICA CEAHLAU” S.A. was held on the first convening, i.e., 26/04/2021, and was attended – in person, by representatives or by post – by a number of 3 shareholders, representing 224,339,591 shares, i.e., 93,5121% of the company’s social capital.

Resolutions approved by the Ordinary General Meeting of Shareholders held on 26/04/2021

Resolution No. 1

Sole Article: It is hereby approved that the secretariat of the Ordinary General Meeting of Shareholders from among the shareholders, in compliance with the provisions of Law 31/1990, article 129, paragraph (2):

1. Ilie Mihailescu

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 2

Sole Article: It is hereby approved that the Report on the Board of Directors’ activity for 2020

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders

Resolution No. 3

Sole Article: That the Individual Financial Statements for 2020 are hereby approved, together with the independent financial auditor's opinion.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 4

Sole Article: It is approved that the loss of the financial year 2020 in the amount of 2,338,925 lei be covered from the profit of the coming years.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 5

Sole Article: It is hereby approved the discharge of the managers' liability for 2020

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 6

Art. 1: The main directions of activity and the Revenue and Expenditure Budget for 2021 are approved with the following basic indicators:

• Turnover	RON 29,700,000
• Total income	RON 30,200,000
• Total expenses	RON 29,200,000
• Net profit	RON 1,000,000

Art.2. It is hereby approved that the objectives of the investment shall be carried out, provided they rely on explanatory notes, and previously approved by the Board of Directors.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution no. 7

Sole Article: Taking into account the financial situation of the company shall be approved the not to participate in profit of the executive management and the directors of the company.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution no. 8

Sole Article: The remuneration policy of the Company's management structure is approved, in accordance with the provisions of art. 92¹ of Law no. 24/2017

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution no. 9

Art. 1 The general remuneration limits shall be approved for administrators and directors of the company for 2021, as follow:

- a) For administrators, the limits established by the Ordinary General Meeting of Shareholders from 24.11.2017 shall be kept.
- b) For the executive management – monthly fixed net remunerations:

General Director Euro 3,500;
Sales Director lei 10,000;
Financial Director lei 10,000;

The denomination in lei will be made at the Euro-leu exchange rate of the NBR on the date of payment

Depending on the degree in which the performance indicators are met, collective and individual, at the end of 2021, the Board of Directors will grant a variable remuneration to the directors, but this remuneration is situated between the following limits:

- a) Awards - in the limit of 5% from the salary fund or achieved allowances, while conforming with the Budget of incomes and expenses approved by the Ordinary General Meeting of Shareholders.
- b) Annual individual bonuses, as participations to the benefit plans, situated at a level of maximum 9 salaries, if the established performance indicators are met.

Art. 2. The performance indicators for the year 2020 are approved

Art.3. Entrustment of the Board of Directors to negotiate and conclude management contract/addendum to it with the executive directors and to ensure the retribution in the limits established by the Ordinary General Meeting of Shareholders.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No 10

Art. 1. Is approved the election result by secret ballot, as a financial auditor, for a period of 2 years (09.05.2019 – 08.05.2021) the Company **DELOITTE AUDIT SRL**, headquartered in, Bucharest, The Mark Building, str. Calea Grivitei, no. 84-98 and 100-102, floor 8 and 9, sector 1, registered at the Trade Register under no. J40 / 6775/1995, Unique Registration Code 7756924 represented by Mr. **Ghiurluc Claudiu**, romanian citizen, born in Bucharest residing in Bucharest.

Art. 2. Starting with the date of 26.04.2021, the mandate of the financial auditor KPMG Audit S.R.L, ceases as a result of the full execution by the parties of the assumed rights and obligations.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders

Resolution No 11

Sole Article: Empowerment of the General Manager's power to carry out all the necessary documents for the registration of the OGMS decision to National Trade Register Office and taking steps to ensure the publicity of the adopted decisions. The General Manager may also mandate other persons to perform the previously mentioned records.

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders

Resolution No 12

Sole Article: It is hereby approved that the date of 14/05/2019 (ex-date 13/05/2019) shall be set as the date for the identification of the shareholders that are to benefit from rights and who are to be subject to the effects of the resolutions adopted by the Ordinary General Meeting of Shareholders

The resolution is hereby adopted with 224,339,591 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders

1.b. The Shareholders' Extraordinary General Meeting and Resolutions approved

The Extraordinary General Meeting of the shareholders of the company "MECANICA CEAHLAU" S.A. was held on the first convening, i.e., 26/04/2021, and was attended – in person, by representatives or by post – by a number of 3 shareholders, representing 224,339,591 shares, i.e., 93,5121% of the company's social capital.

Resolutions approved by the Extraordinary General Meeting of Shareholders held on 26.04.2021

Resolution No. 1

Sole Article: It is hereby approved that the secretariat of the Extraordinary General Meeting of Shareholders from among the shareholders, in compliance with the provisions of Law 31/1990, article 129, paragraph (2):

1. Ilie Mihailescu

The resolution is hereby adopted with 224,339,591 votes in favor, i.e., 100.00 % of the total shares represented in the Extraordinary General Meeting of Shareholders.

Resolution No. 2

Sole Article: It is hereby ratified the Decision of the Board of Directors no. 1 of 02.03.2021, at the request of Banca Transilvania, for the extension of the counter-guarantee letter and the maintenance of the guarantees related to the letter, representing 9.25% of the total fixed assets of the company less the receivables..

The resolution is hereby adopted with 224,339,591 votes in favor, i.e., 100.00 % of the total shares represented in the Extraordinary General Meeting of Shareholders.

Resolution No. 3

Sole Article: It is hereby approved that the cumulative level of guarantees whose total book value amounting of 3,021,638 lei, representing cumulatively the percentage of 24.37% of the total fixed assets of the company less claims.

The resolution is hereby adopted with 224,339,591 votes in favor, i.e., 100.00 % of the total shares represented in the Extraordinary General Meeting of Shareholders.

Resolution No. 4

Sole Article: Empowerment of the General Manager's power to carry out all the necessary documents for the registration of the EGMS decision to National Trade Register Office and taking steps to ensure the publicity of the adopted decisions. The General Manager may also mandate other persons to perform the previously mentioned records.

The resolution is hereby adopted with 224,339,591 votes in favor, i.e., 100.00 % of the total shares represented in the Extraordinary General Meeting of Shareholders.

Resolution No. 5

Sole Article: It is hereby approved that the date of 28.05.2021 (ex-date 27.05.2021) shall be set as the date for the identification of the shareholders that are to benefit from rights and who are to be subject to the effects of the resolutions adopted by the Extraordinary General Meeting of Shareholders.

The resolution is hereby adopted with 224,339,591 votes in favor, i.e., 100.00 % of the total shares represented in the Extraordinary General Meeting of Shareholders.

President of the Board of Directors

Trifa Aurelian-Mircea-Radu

