



# Electroputere

## ELECTROPUTERE S.A.

Romanian Legal Person, Headquartered at Craiova, No 80 Calea Bucuresti, Dolj County  
Registered with the Trade Registry under no J16/12/1991, Fiscal Identification Code RO6312800  
Share Capital 103,760,291.3 Ron

### Informative materials for the Ordinary and the Extraordinary General Assembly of the Shareholders of ELECTROPUTERE S.A. ("The Assembly") convened for 26h/27th of April 2017

At the Convening date of the Ordinary and Extraordinary General Assembly Electroputere S.A. has issued a total number of 1,037,602,913 nominative and dematerialized shares, with a nominal value of 0,1 Ron/share.

Date of April 17<sup>th</sup>, 2017 is set as Reference Date by the Board of Directors, pursuant to art. 123 paragraph (2) of Romanian Law no. 31/1990 on trading companies, republished and modified, to art. 2 letter d), art. 9, art. 10 of Romanian National Securities Commission Regulation no. 6/2009 regarding exercise of certain rights of shareholders in general meetings of companies. Only the persons acting as shareholders upon the reference date may exert their right of participating to the Assembly, as well as the right to vote in the Assembly.

Data of May 16<sup>th</sup>, 2017 is the registration date proposed by the Board of Directors, pursuant to art. 238 paragraph (1) of Law no. 297/2004 on the capital market, date which will be used for identifying of the shareholders who are impacted by the resolution of the Assembly.

At the Convening date of the Assembly, the synthetic shareholders structure is the following:

No	Shareholder	Shares Number	Percent
1.	AL-ARRAB CONTRACTING COMPANY LIMITED	991,284,640	95.5360309402%
2.	Other shareholders	46,318,273	4.4639690598%
	<b>TOTAL</b>	<b>1,037,602,913</b>	<b>100.00000%</b>

The agenda of the assembly is the following:

#### I. THE ORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS

1. The approval of the Report of the Board of Directors for the fiscal year 2016;
2. The approval of the Financial Auditor's Report for the financial statements of Electroputere SA, for the fiscal year 2016;
3. The approval of the individually financial statements, drawing up in accordance with the International Financial Reporting Standards (IFRS) for the fiscal year 2016;
4. The discharge of administration of the Board of Directors for the fiscal year 2016;
5. The approval of the budget of revenues and expenditures for the fiscal year 2017;

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Registrations: J 16/12/1991  
CUI: 6312800  
TVA/VAT: RO6312800  
Share capital: 103.760.291 LEI

Bank accounts:  
Blom Bank France SA Paris - Romania Branch  
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6. Filling the structure of the Board of Directors, by appointing a new member of the Board of Directors, its mandate duration being limited to the duration of the mandate of the current Board of Directors.
7. Settle **May 16<sup>th</sup>, 2017** as **Date of Registration** for the shareholders who will be affected by the decisions of the Ordinary General Assembly of Shareholders.
8. Setting the date of **May 15<sup>th</sup>, 2017** as “**ex-date**”, namely the date prior to the registration date on which the financial instruments which make object of the company’s resolutions are traded without the rights derived from the resolution, in accordance with the provisions of art. 2, letter f) from the Romanian National Securities Commission Regulation no 6/2009 regarding exercise of certain rights of shareholders in general meetings of companies as subsequently amended.
9. The empowerment of the natural person who will accomplish the publicity and registering formalities of the Assembly’s decisions.

## II. THE EXTRAORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS

1. Approval, in accordance with article 241 paragraph 1 of Law no 297/2004 on the capital market, as further amended and supplemented, of the conditions for the conclusion of a contract for sale of company immovable property (non-current-assets), whose value exceeds 20% of total non-current assets, except for claims. Approval of Extraordinary General Meeting of Shareholders will refer in particular, but without limitation, to: identify the object of sale (including surfaces), the minimum selling price, any specific conditions that may affect the transaction.
2. Approval of destination of the amounts received from selling transaction of the immovable property (non-current assets) of the company, as described at item 1 of this agenda.
3. Ratification by the Extraordinary General Meeting of Shareholders of any acts and transactions signed or implemented by the Company’s management (Board of Directors and/or CEO) to create conditions for implementation of the envisaged transaction, before the meeting of the extraordinary general meeting. Ratification will refer in particular, but without limitation, to: pre-contracts and/or any other documents/documentation signed, in connection with the transaction, procedures for dismantling, procedures for obtaining zoning plans, procedures on identifying interested potential buyers.
4. The empowerment of Mr Osama AL HALABI, CEO of the company, for carrying out any formalities, negotiations or transactions and signing any intermediary documents necessary for preparing the final sale and to sign the contract/contracts of sale of the immovable property (non-current assets) and to represent the company in front of a notary public to authenticate the transaction documents (when legislation in force provides such formality).
5. Settle **May 16<sup>th</sup>, 2017** as **Date of Registration** for the shareholders who will be affected by the decisions of the Extraordinary General Assembly of Shareholders.
6. Setting the date of **May 15<sup>th</sup>, 2017** as “**ex-date**”, namely the date prior to the registration date on which the financial instruments which make object of the company’s resolutions are traded without the rights derived from the resolution, in accordance with the provisions of art. 2, letter f) from the Romanian National Securities Commission Regulation no 6/2009 regarding exercise of certain rights of shareholders in general meetings of companies as subsequently amended.
7. The empowerment of the natural person who will accomplish the publicity and registering formalities of the Assembly’s decisions.

## I. ORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS

### 1) The approval of the Report of the Board of Directors for the fiscal year 2016;

**Note :** See the attached file pdf. “EP\_Report of the Board of Directors 2016” on the company website ([www.electroputere.ro](http://www.electroputere.ro)).

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**2) The approval of the Financial Auditor's Report for the financial statements of Electroputere SA, for the fiscal year 2016;**

*Note :* See the attached file pdf. "EP\_Financial Auditor's Report 2016" on the company website ([www.electroputere.ro](http://www.electroputere.ro)).

**3) The approval of the individually financial statements, drawing up in accordance with the International Financial Reporting Standards (IFRS) for the fiscal year 2016;**

*Note :* See the attached file pdf. "EP\_Financial Statements 2016" on the company website ([www.electroputere.ro](http://www.electroputere.ro)).

**4) The discharge of administration of the Board of Directors for the fiscal year 2016;**

**5) The approval of the budget of revenues and expenditures for the fiscal year 2017;**

*Note :* See the attached file pdf. "Budget 2017" on the company website ([www.electroputere.ro](http://www.electroputere.ro)).

**6) Filling the structure of the Board of Directors, by appointing a new member of the Board of Directors, its mandate duration being limited to the duration of the mandate of the current Board of Directors;**

There is a vacant position of member in the Board of Directors of the Company, following resignation of Mr. Fathi Taher Mohd Ahmad.

*Note:* Board currently has no proposal for such appointment.

Other proposals for this positions may be presented by the Board of Directors or by the shareholders of the company by April 10th 2017, 15:00 hours, close of business day for the Company.

The list of the candidates for the Company's administrator position shall be updated as receipt of proposals of candidates and communicated on 10.04.2017, starting at 18.00.

**7) Settle May 16<sup>th</sup>, 2017 as Date of Registration for the shareholders who will be affected by the decisions of the Ordinary General Assembly of Shareholders.**

*Note:* Electroputere S.A. is a public owned company, its shares are listed on the Bucharest Stock Exchange, and Data of May 16, 2017 is the registration date proposed by the Board of Directors, pursuant to art. 238 paragraphs (1) of Law no. 297/2004 on the capital market date which will be used for identifying of the shareholders which are subject to the effects of the resolution taken by the Assembly.

**8) Setting the date of May 15<sup>th</sup>, 2017 as "ex-date", namely the date prior to the registration date on which the financial instruments which make object of the company's resolutions are traded without the rights derived from the resolution, in accordance with the provisions of art. 2, letter f) from the Romanian National Securities Commission Regulation no 6/2009 regarding exercise of certain rights of shareholders in general meetings of companies as subsequently amended.**

*NOTE:* Under the circumstances that the date of 16.05.2017 is proposed as the Registration Date to the resolutions adopted in the shareholders' Meeting, "ex-date", namely the date prior to the registration date on which the financial instruments which make the object of the company's resolutions are traded without the rights derived from the resolution, is 15.05.2017.

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## 9) The empowerment of the natural person who will accomplish the publicity and registering formalities of the Assembly's decisions.

*Note:* The decision which will be adopted by the Assembly, following debate of the proposal submitted on the agenda of the Assembly, shall be published in the Official Gazette of Romania and it shall be registered with the Trade Register Office of Dolj County. To this purpose, a power-of-attorney is hereby granted to Mr Osama AL HALABI – Electroputere CEO –, Syrian citizen, born on 22.08.1971, in Homs, domiciled in Yammama Str., Jeddah, 21412, Kingdom of Saudi Arabia, identified with passport no 009848120, issued by Syrian authorities on 18.03.2015. Mr. Osama AL HALABI is empowered to carry out the publishing and registration formalities hereof. Mr. Osama AL HALABI can appoint third parties, legal adviser of the Company included, in order to carry out the said formalities.

## II. EXTRAORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS

1) **Approval, in accordance with article 241 paragraph 1 of Law no 297/2004 on the capital market, as further amended and supplemented, of the conditions for the conclusion of a contract for sale of company immovable property (non-current-assets), whose value exceeds 20% of total non-current assets, except for claims. Approval of Extraordinary General Meeting of Shareholders will refer in particular, but without limitation, to: identify the object of sale (including surfaces), the minimum selling price, any specific conditions that may affect the transaction:**

*Note:* Approval shall be given for selling of a Property (land with the existing buildings erected on it) having an area of around 30 ha located in 80 Calea Bucuresti, Craiova, Dolj County. Selling of the Property shall not affect the Company current activity (MER Division shall only be relocated).

The Property to be sold is composed out of the following plots:

- (1) A plot with the surface of 2,342 Sqm, registered within the Land Book no 205158, including the existing buildings erected on this plot;
- (2) A plot with the surface of 79 Sqm, registered within the Land Book no 205453, including the existing buildings erected on this plot;
- (3) A plot with the surface of 4,352 Sqm, registered within the Land Book no 211970, including the existing buildings erected on this plot;
- (4) A plot with the surface of 571 Sqm, registered within the Land Book no 205150, including the existing buildings erected on this plot;
- (5) A plot with the surface of 59 Sqm, registered within the Land Book no 211971, including the existing buildings erected on this plot;
- (6) A plot with the surface of 2,034 Sqm, registered within the Land Book no 210064, including the existing buildings erected on this plot;
- (7) A plot with the surface of 230 Sqm, registered within the Land Book no 210199, including the existing buildings erected on this plot;
- (8) A plot with the surface of 767 Sqm, registered within the Land Book no 210019, including the existing buildings erected on this plot;
- (9) A plot with the surface of 274 Sqm, registered within the Land Book no 211930, including the existing buildings erected on this plot;



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- (10) A plot with the surface of 4,967 Sqm, registered within the Land Book no 211929, including the existing buildings erected on this plot;
- (11) A plot with the surface of 822 Sqm, registered within the Land Book no 211670, including the existing buildings erected on this plot;
- (12) A plot with the surface of around 6,000 Sqm, part of a plot with the total surface of 10,205 Sqm currently registered within the Land Book no 211298, including the existing buildings erected on this plot; exact surface and Land Book number shall be established by the Board of Directors after the demerger procedures;
- (13) A plot with the surface of 2,331 Sqm, registered within the Land Book no 205882, including the existing buildings erected on this plot;
- (14) A plot with the surface of 1,660 Sqm, registered within the Land Book no 210066, including the existing buildings erected on this plot;
- (15) A plot with the surface of 185 Sqm, registered within the Land Book no 206865, including the existing buildings erected on this plot;
- (16) A plot with the surface of 6,716 Sqm, registered within the Land Book no 205684, including the existing buildings erected on this plot;
- (17) A plot with the surface of 6,463 Sqm, registered within the Land Book no 206147, including the existing buildings erected on this plot;
- (18) A plot with the surface of 3,789 Sqm, registered within the Land Book no 211950, including the existing buildings erected on this plot;
- (19) A plot with the surface of 7,587 Sqm, registered within the Land Book no 211949, including the existing buildings erected on this plot;
- (20) A plot with the surface of 5,532 Sqm, registered within the Land Book no 211948, including the existing buildings erected on this plot;
- (21) A plot with the surface of 6,626 Sqm, registered within the Land Book no 211947, including the existing buildings erected on this plot;
- (22) A plot with the surface of around 13,651 Sqm, part of a plot with the total surface of 16,251 Sqm currently registered within the Land Book no 211666, including the existing buildings erected on this plot; exact surface and Land Book number shall be established by the Board of Directors after the demerger procedures;
- (23) A plot with the surface of 13,260 Sqm, registered within the Land Book no 211953, including the existing buildings erected on this plot;
- (24) A plot with the surface of 68,552 Sqm, registered within the Land Book no 213016, including the existing buildings erected on this plot; this plot currently hosts MER Division to be relocated as per Board of Directors decision;
- (25) A plot with the surface of 4,706 Sqm, registered within the Land Book no 213017, including the existing buildings erected on this plot;
- (26) A plot with the surface of 2,067 Sqm, registered within the Land Book no 211946, including the existing buildings erected on this plot;
- (27) A plot with the surface of 278 Sqm, registered within the Land Book no 211367, including the existing buildings erected on this plot;
- (28) A plot with the surface of 1,426 Sqm, registered within the Land Book no 211672, including the existing buildings erected on this plot;
- (29) A plot with the surface of 38,030 Sqm, registered within the Land Book no 214536, including the existing buildings erected on this plot;
- (30) A plot with the surface of 73,687 Sqm, registered within the Land Book no 211954, including the existing buildings erected on this plot;



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- (31) A plot with the surface of 13,638 Sqm, registered within the Land Book no 223464, including the existing buildings erected on this plot;
- (32) A plot with the surface of around 8,000 Sqm, part of a plot with the total surface of 11,506 Sqm currently registered within the Land Book no 211366, including the existing buildings erected on this plot; exact surface and Land Book number shall be established by the Board of Directors after the demerger procedures;
- (33) A plot with the surface of 2,257 Sqm, registered within the Land Book no 211368, including the existing buildings erected on this plot;

Minimum selling price: 150 Euro/Sqm.

CEO of the Company shall be empowered to negotiate with the potential buyers, to establish selling price for the above mentioned fixed assets, with the observance of the minimum selling price.

Selling may be made by several different transactions. Payments may be agreed to be made in maximum 5 yearly instalments.

CEO of the Company shall be empowered to negotiate with Company creditors, including Blom Bank, price payment modalities to secure the above plots (fixed assets) clearance of any existing encumbrances and to ensure all other conditions for successful conclusion of selling transaction.

## **2) Approval of destination of the amounts received from selling transaction of the immoveable property (non-current assets) of the company, as described at item 1 of this agenda.**

*Note:* All the plots to be sold are currently mortgaged to secure financing facilities provided by Blom Bank. Second rank mortgage was approved to be granted to secure reimbursement of loans granted by the majority shareholder.

Therefore, proposal is for the price to be obtained from transfer of the above-mentioned assets to be used for:  
a) reimbursement of loans received by the majority shareholder, b) reimburse / increase loans granted by Blom Bank, and c) for financing major capex investments like relocation of Motor plant and relocation/modernization of Transformer testing facility.

## **3) Ratification by the Extraordinary General Meeting of Shareholders of any acts and transactions signed or implemented by the Company's management (Board of Directors and/or CEO) to create conditions for implementation of the envisaged transaction, before the meeting of the extraordinary general meeting. Ratification will refer in particular, but without limitation, to: pre-contracts and/or any other documents/documentation signed, in connection with the transaction, procedures for dismantling, procedures for obtaining zoning plans, procedures on identifying interested potential buyers.**

*Note:* Non-binding Memorandum of Understanding (MOU) has been concluded on January 2017 by and between Electroputere SA and The Office EPC SRL. By such MOU preliminary formalities for transfer of ownership were agreed. Due diligence study for the Property is ongoing.

Proposal is for GSM to ratify all such carried formalities.

## **4) The empowerment of Mr Osama AL HALABI, CEO of the company, for carrying out any formalities, negotiations or transactions and signing any intermediary documents necessary for preparing the final sale and to sign the contract/contracts of sale of the immoveable property (non-current assets) and to represent the company in front of a notary public to authenticate the transaction documents (when legislation in force provides such formality).**

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**Note :** Proposal is for GSM to approve fully empowerment of Mr Osama AL HALABI to carry out any formalities, negotiations or transactions and signing any required documents, including sale-purchase contracts.

**5) Settle May 16<sup>th</sup>, 2017 as Date of Registration for the shareholders who will be affected by the decisions of the Extraordinary General Assembly of Shareholders.**

**Note:** Electroputere S.A. is a public owned company, its shares are listed on the Bucharest Stock Exchange, and Data of May 16, 2017 is the registration date proposed by the Board of Directors, pursuant to art. 238 paragraphs (1) of Law no. 297/2004 on the capital market date which will be used for identifying of the shareholders which are subject to the effects of the resolution taken by the Assembly.

**6) Setting the date of May 15<sup>th</sup>, 2017 as “ex-date”, namely the date prior to the registration date on which the financial instruments which make object of the company’s resolutions are traded without the rights derived from the resolution, in accordance with the provisions of art. 2, letter f) from the Romanian National Securities Commission Regulation no 6/2009 regarding exercise of certain rights of shareholders in general meetings of companies as subsequently amended.**

**NOTE:** Under the circumstances that the date of 16.05.2017 is proposed as the Registration Date to the resolutions adopted in the shareholders’ Meeting, "ex-date", namely the date prior to the registration date on which the financial instruments which make the object of the company’s resolutions are traded without the rights derived from the resolution, is 15.05.2017.

**7) The empowerment of the natural person who will accomplish the publicity and registering formalities of the Assembly’s decisions.**

The decision which will be adopted by the Assembly, following debate of the proposal submitted on the agenda of the Assembly, shall be published in the Official Gazette of Romania and it shall be registered with the Trade Register Office of Dolj County. To this purpose, a power-of-attorney is hereby granted to Mr Osama AL HALABI – Electroputere CEO –, Syrian citizen, born on 22.08.1971, in Homs, domiciled in Yammama Str., Jeddah, 21412, Kingdom of Saudi Arabia, identified with passport no 009848120, issued by Syrian authorities on 18.03.2015. Mr. Osama AL HALABI is empowered to carry out the publishing and registration formalities hereof. Mr. Osama AL HALABI can appoint third parties, legal adviser of the Company included, in order to carry out the said formalities.

Additional information can be obtained at the telephone number: 0372 703 450 or at the e-mail address [brotaru@electroputere.ro](mailto:brotaru@electroputere.ro).

**Chairman of the Board of Directors**

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