

UPDATED MEMORANDUM OF ASSOCIATION NO. 56
of the Company “TERAPLAST SA”

J06/735/1992, Tax Identification No. RO 3094980

Updated on 20.05.2020, based on Decision no. 19 of 20th May, 2020 of the Board of Directors of the Company
TERAPLAST S.A.

Section I. NAME, LEGAL FORM, DURATION

Art .1. Name of the company

(1) The name of the company is “**TERAPLAST**” S.A. Bistrita according to the Proof of company name availability No. 3509/26.02.2007.

(2) In all documents, invoices, notices, publications and other documents issued by the company, the name of the company shall be preceded or followed by the words *joint-stock company* or the initials S.A., the share capital, the number of registration in the Trade Register, the tax identification number and the registered office of the company, and in the documents issued by subsidiaries also the number of registration and the Trade Register where they have the registered office and are registered.

Art.2. Legal form of the company

The company “**TERAPLAST**” S.A. Bistrita is a Romanian legal entity, being a joint stock company. It conducts business in accordance with the Romanian legislation and this Memorandum of Association.

Art.3. Registered office

(1) The company’s registered office is located in sat Sărățel, comuna Sieu-Magherus, DN 15A, km 45+500, judet Bistrița-Năsăud, Romania.

(2) The company can have subsidiaries, branches, representative offices and agencies in other places in the country of abroad.

(3) The company TERAPLAST SA has the following secondary offices:

- ◆ **Business location**, situated in municipiul **Brasov**, str. Calea Bucuresti, nr.249/A, judetul Brasov;
- ◆ **Business location**, situated in municipiul **Iasi**, Șos. Bucium, Nr. 23, judetul Iasi;
- ◆ **Business location**, situated in municipiul **Deva**, Str. Bdul Victor Suiaga, Nr.15, judetul Hunedoara;
- ◆ **Business location**, “**Hala fabricatie tevi, profile, granule PVC si Depozit; Hala depozit tevi si profile PVC**”/ *Production facility for PVC granules, pipes, profiles and Warehouse/Storage facility for PVC pipes and profiles*, situated in localitatea Sarata, Saratel, DN 15 A, FN, comuna Sieu-Magherus, judetul Bistrita-Nasaud;
- ◆ **Business location** “**Fabrica de Tamplarie PVC**”/ *PVC Joinery Factory* situated in **Bistrita** str. Tarpiului nr.27A, judetul Bistrita-Nasaud;
- ◆ **Business location** situated in municipiul **Bistrita**, str. Romana, nr. 17/A, jud. Bistrita-Nasaud.
- ◆ **Business location**, situated in **sat Sărățel**, comuna Sieu-Magherus, DN 15A, km 45+500, judet Bistrița-Năsăud, Romania.
- ◆ **Business location**, situated in **Cluj-Napoca**, Calea Dorobantilor, nr. 21, colt cu Pitesti nr. 1-3, ap. nr. 31, et. 1, Birou 2, judetul Cluj;
- ◆ **Business location** situated in localitatea **Dumbrava Rosie**, Str.Dumbravei, Nr. 308A, judetul Neamt;
- ◆ **Business location** situated in municipiul **Oradea**, Str. Ogorului, nr. 30A si 30D, judetul Bihor;
- ◆ **Business location** situated in Sat **Chiajna**, Comuna Chiajna, str. Turistilor, nr. 27 (provizoriu), judetul Ilfov.

Art.4.Duration of the company

The company is incorporated and conducts business for an indefinite period of time.

Section II. PURPOSE AND OBJECT OF ACTIVITY OF THE COMPANY

Art.5. The purpose of the company is to obtain profit from its commercial activity, in order to distribute benefits to the shareholders or to allot them to the company development fund.

Art.6. According to the statistical classification of economic activities - NACE, the object of activity of the company is:

Main field of activity: 222 = Manufacture of plastic products;

Main activity: 2221 = Manufacture of plastic plates, sheets, tubes and profiles;

Declared secondary activities: domestic trade, services, import-export, constructions;

Secondary activities according to the classification (NACE Rev.2)

1624 Manufacture of wooden containers

2016 Manufacture of plastics in primary forms;

2059 Manufacture of other chemical products n.e.c.;

2222 Manufacture of plastic packing goods;

2223 Manufacture of builders’ ware of plastic;

- 2229** Manufacture of other plastic products;
- 2312** Shaping and processing of flat glass;
- 2341** Manufacture of ceramic household and ornamental articles;
- 2320** Manufacture of refractory products;
- 2331** Manufacture of ceramic tiles and flags;
- 2332** Manufacture of bricks, tiles and construction products, in baked clay;
- 2511** Manufacture of metal structures and parts of structures;
- 2512** Manufacture of doors and windows of metal;
- 2561** Treatment and coating of metals;
- 2562** Machining;
- 2573** Manufacture of tools;
- 2599** Manufacture of other fabricated metal products n.e.c.;
- 2731** Manufacture of fibre optic cables;
- 2732** Manufacture of other electronic and electric wires and cables;
- 2733** Manufacture of wiring devices;
- 2790** Manufacture of other electrical equipment;
- 2611** Manufacture of electronic components;
- 2712** Manufacture of electricity distribution and control apparatus;
- 3101** Manufacture of office and shop furniture;
- 3311** Repair of fabricated metal products;
- 3319** Repair of other equipment;
- 3811** Collection of non-hazardous waste;
- 3832** Recovery of sorted materials;
- 4110** Development of building projects;
- 6810** Buying and selling of own real estate;
- 6820** Renting and operating of own or leased real estate;
- 4120** Construction of residential and non-residential buildings;
- 4221** Construction of utility projects for fluids;
- 4222** Construction of utility projects for electricity and telecommunications;
- 4391** Roofing activities;
- 4321** Electrical installation;
- 4322** Plumbing, heat and air-conditioning installation;
- 4329** Other construction installation;
- 4334** Painting and glazing;
- 4339** Other building completion and finishing;
- 4612** Agents involved in the sale of fuels, ores, metals and industrial chemicals;
- 4615** Agents involved in the sale of furniture, household goods, hardware and ironmongery;
- 4618** Agents specialised in the sale of other particular products;
- 4619** Agents involved in the sale of a variety of goods;
- 4644** Wholesale of china and glassware and cleaning materials;
- 4649** Wholesale of other household goods;
- 4673** Wholesale of wood, construction materials and sanitary equipment;
- 4674** Wholesale of hardware, plumbing and heating equipment and supplies (for sanitary installation tubes, pipes, fittings, connections);
- 4675** Wholesale of chemical products;
- 4676** Wholesale of other intermediate products;
- 4677** Wholesale of waste and scrap;
- 4690** Non-specialised wholesale trade;
- 4719** Other retail sale in non-specialised stores (non-food predominating);
- 4752** Retail sale of hardware, paints and glass in specialised stores;
- 4779** Retail sale of second-hand goods in stores;
- 4789** Retail sale via stalls and markets of other goods;
- 4791** Retail sale via mail order houses or via Internet;
- 4799** Other retail sale not in stores, stalls or markets;
- 4730** Retail sale of automotive fuel in specialised stores;
- 5629** Other food service activities n.e.c.;
- 4941** Freight transport by road;

5224 Cargo handling;
5210 Warehousing and storage;
7739 Renting and leasing of other machinery, equipment and tangible goods n.e.c.;
7219 Other research and experimental development on natural sciences and engineering;
7211 Research and experimental development on biotechnology;
7220 Research and experimental development on social sciences and humanities;
6920 Accounting, bookkeeping and auditing activities; tax consultancy;
6420 Activities of holding companies;
7320 Market research and public opinion polling;
7022 Business and other management consultancy activities;
7490 Other professional, scientific and technical activities n.e.c.;
7021 Public relations and communication activities;
8560 Educational support activities;
7010 Activities of head offices;
7111 Architectural activities;
7112 Engineering activities and related technical consultancy;
7120 Technical testing and analysis;
8220 Activities of call centres;
8299 Other business support service activities n.e.c.;
8230 Organisation of conventions and trade shows;
8559 Other education n.e.c. (qualification and requalification training for unemployed);
9311 Operation of sports facilities;
9319 Other sports activities;
3511 Production of electricity;
3512 Transmission of electricity;
3513 Distribution of electricity;
3514 Trade of electricity;
7830 Other human resources provision;
6201 Computer programming activities (Computer program writing for customer);
6202 Computer consultancy activities;
6203 Computer facilities management activities;
6209 Other information technology and computer service activities;
3314 Repair of electrical equipment;
3320 Installation of industrial machinery and equipment;
3312 Repair of machinery.

Section III. SHARE CAPITAL. SHARES

Art.7. Subscribed and paid-up share capital

(1) The subscribed and paid-up share capital of the Company TERAPLAST S.A. is of **RON 174,320,047.80** divided into a number of **1,743,200,478** nominal shares, with a nominal value of RON 0.1 each.

Art.8. Shares

(1) The nominal shares of the company are in a dematerialised form.

(2) The shares shall be recorded by **S.C. Depozitarul Central S.A.** Bucharest, pursuant to Law 297/2004 on the capital market.

(3) The proof of being a shareholder of the company shall be supported by the Bank Statement issued by **S.C. Depozitarul Central S.A.** Bucharest, according to the applicable law.

Art.9. Decrease or increase of the share capital

(1) The share capital can be decreased or increased by the Extraordinary General Assembly of the Shareholders, based on and in compliance with the legal procedures.

(2) The General Assembly of the Shareholders can approve the increase in the share capital up to a maximum level (authorised capital). The nominal value of the authorised capital may not exceed half of the subscribed share capital existing at the time of the approval. Within the limits of the agreed level, the directors can decide, based on delegation of powers, to increase the share capital. This competence is granted to the directors for a period of maximum one year and it can be renewed by the General Assembly for a period which, for each renewal, cannot exceed one year. The decisions of the Board of Directors while exercising the powers delegated to it by the Extraordinary General Assembly of the Shareholders, shall come into force only to the extent of being fulfilled within one year as of the date they were adopted on and/or the date on which the competence is renewed, and they shall

be considered the same as the decisions of the General Assembly of the Shareholders, in respect of their publicity and the possibility to be challenged in court.

(3) If the suggested capital increase is not fully subscribed, the share capital shall be raised by the amount of subscriptions received only if the issue conditions provide such possibility.

(4) The Board of Directors is authorised by the Memorandum of Association, for a period of 12 months as of the day on which this article is included in the Memorandum of Association, to increase the share capital of the Company with maximum RON 21,450,000, up to maximum RON 107,141,097, representing the authorised share capital.

Art.10. Rights and obligations as a shareholder

(1) Each share subscribed and paid-up by the shareholders confers them the right to one vote in the General Assembly of the Shareholders, the right to elect and be elected in the management bodies, the right to participate in the distribution of benefits, in accordance with to the provisions of this Memorandum of Association and the legal provisions, as well as other rights stipulated by the Memorandum of Association, respectively.

(2) Shareholding implies the legal adhesion to the Memorandum of Association of the company.

(3) The rights and obligations linked to the shares follow the shares in case they become the property of other persons.

(4) The company's obligations are secured by its share capital, and the shareholders are held liable within the limits of their shares.

(5) The company assets cannot be encumbered by debts or other personal obligations of the shareholders.

(6) Notwithstanding the provisions of Law 31/1990, as amended and completed, the identification of the shareholders who are to benefit from dividends or other rights and who are impacted by the decisions of the General Assembly of the Shareholders, shall be carried out by the Assembly. Such date, referred to as the registration date, shall be set at least 10 business days after the date of the General Assembly.

(7) Along with setting the dividends, the General Assembly of the Shareholders shall establish the term within which they must be paid to the shareholders. Such term should not exceed 6 months as of the date on which the General Assembly of the Shareholders agrees about the dividends.

(8) In case the General Assembly of the Shareholders does not set a dividend payment deadline, the dividends shall be paid within maximum 60 days as of the day on which the dividend-related decision of the General Assembly is published in the Official Gazette of Romania, Part IV, after which deadline the company shall be in default in payment.

(9) In case the shares are encumbered by a usufruct, the right to vote granted by such shares belongs to the usufructuary in the Ordinary General Assemblies and to the original owner in the Extraordinary General Assemblies.

(10) If the shares are encumbered by movable securities, the right to vote shall belong to the owner.

Art.11. Transfer of shares

(1) The shares are indivisible as related to the company, which recognises one owner only for each share.

(2) The shares can be partially or totally transferred among the shareholders or third parties based on and in compliance with the legal procedures.

(3) The transfer of share does not exempt the transferor from what the transferor may owe to the company from their contributed capital.

Section IV. GENERAL ASSEMBLY OF THE SHAREHOLDERS

Art.13. Powers

(1) The General Assembly of the Shareholders is the management body of the company, and it decides on the company activity and ensures its economic and commercial policy.

(2) The General Assemblies of the Shareholders are ordinary and extraordinary.

a) The Ordinary General Assembly, outside debating other topics of the agenda, has an obligation to:

a.1. discuss, approve or modify the annual financial statements, based on the reports submitted by the Board of Directors, as the case may be, by the financial auditor, and to establish the dividends;

a.2. elect and revoke the members of the Board of Directors;

a.3. establish the remuneration corresponding to the current fiscal year to the members of the Board of Directors, unless it was established in the Memorandum of Association, considering the specific duties and the economic situation of the company;

a.4. decide on the management of the Board of Directors;

a.5. appoint and establish the minimum duration of the financial audit contract, and to revoke the financial auditor;

a.6. establish the income and expenses budget, and, if necessary, the activity schedule of the next fiscal year;

a.7. decide on pledging, leasing or dissolution of one or several business facilities of the company;

a.8. decide on bringing company directors and managers to justice for damages they may have caused to the company by failing to meet their duties towards the company.

b) The Extraordinary General Assembly decides:

b.1. to change the legal form of the company;

b.2. to move the company's registered office to another county;

b.3. to change the object of activity of the company;

b.4. to increase the share capital;

b.5. to decrease the share capital or restore it by the issue of new shares;

b.6. mergers with other companies or splitting up;

b.7. anticipated dissolution of the company;

b.8. to convert the nominal shares to bearer shares or bearer shares to nominal shares;

b.9. to convert the shares from one category to another;

b.10. to convert a category of bonds to another category or to shares;

b.11. to issue bonds;

b.12. any other amendment to the Memorandum of Association or any other decision requiring the approval of the Extraordinary General Assembly;

b.13. approve documents of acquisition, sale, exchange or pledging assets belonging to the category of fixed assets of the company, whose amount exceeds, individually or cumulated, during a fiscal year, 20% of the total fixed assets, receivables excluded.

b.14. approve, for more than a year, the lease of tangible assets whose individual or aggregate value exceeds 20% of the total fixed asset amount to the same co-contractor or individuals implied or acting in concert, except for receivables due at the time of entering into such legal document, as well as associations over a period of more than one year, exceeding the same amount.

Art.14. Convening the General Assembly of the Shareholders

(1) The General Assembly is convened by the Board of Directors any time it is necessary. The Ordinary General Assembly meets at least once a year, within maximum 4 months after the end of the fiscal year, to examine the balance sheet and the profit and loss statement for the previous year and establish the business plan and the budget for the current year.

(2) The General Assembly shall be convened by publishing the meeting notice in the Official Gazette of Romania Part IV, in a widespread newspaper at the place where the company's headquarter is located, in a national newspaper. The convening can be sent as a Current Report to the CNVM and Bucharest Stock Exchange and published on the company's website, www.teraplast.ro, with at least 30 days before the date set for the Ordinary and Extraordinary General Assemblies, who both meet at the first convening.

(3) The convening shall include the name of the issuer, the place, date and time of the meeting, the agenda, with the specific listing of all issues that will be discussed within the meeting, the reference date for the shareholders entitled to be notified and vote within the General Assembly, the date of the second convening of the General Assembly, the time limit up to which the applications can be filed, in case the agenda includes the election of directors, the method of distributing the documents and information concerning the items of the General Assembly agenda, as well as the date at which they will start being available, the method of obtaining the special power of attorney form for representation in the General Assembly meeting, the deadline and place of filing/collecting the powers of attorney, as well as the proposal concerning the registration date.

(4) The reference date is set at least 4 business days after the date of publication in the media of the General Assembly meeting notice and before the deadline of filing/sending the powers of attorney to the company.

(5) The powers of attorney shall be filed in original at least 48 hours before the Meeting; otherwise the penalty of losing the right to vote in such meeting shall apply. The powers of attorney shall be preserved by the company, mentioning this in the report.

(6) Where the agenda includes propositions to modify the Memorandum of Association, the convening shall include the entire wording of the propositions.

(7) Moreover, where the agenda includes the appointing of directors, the convening shall mention that the list including information pertaining to the names, addresses and professional qualifications of the people proposed for the position of directors is available to the shareholders and can be referred to and completed by them.

(8) Shareholders representing individually or jointly at least 5% of the share capital have the right to ask for new items to be introduced on the agenda. Such requests shall be submitted to the Board of Directors not later than 15 days after the convening date in order to be made known to the other shareholders, by registered letter. The agenda completed with the items proposed by the shareholders, after the meeting, shall be made available to the other

shareholders in accordance with the Memorandum requirements on convening the General Assembly, with at least 10 days before the General Assembly, at the date mentioned in the initial meeting notice.

(9) the General Assembly shall be convened on request of the shareholders representing individually or jointly at least 5% of the share capital, if the request includes provisions covered by the responsibilities of the Assembly and shall be convened within maximum 30 days and meet within not later than 60 days after the receipt of the request.

(10) the General Assembly shall meet at the company registered office or at any other place in the same town/city.

Art.15. Organising the General Assembly of the Shareholders

(1) The Ordinary General Assembly is validly set up and can take decisions if at the first meeting the present or represented shareholders hold at least half plus one of the total voting rights. The resolutions of the Ordinary General Assembly are taken with the majority of the expressed votes, and at a second convened meeting it can deliberate on the items of the agenda of the first meeting, regardless of the met quorum, taking decisions with the majority of the expressed votes.

(2) The Extraordinary General Assembly shall be validly set up and can take decisions if the first convened meeting is attended by the shareholders holding at least half plus one of the total number of voting rights, and the second convened meeting is attended by the shareholders representing at least one fourth of the total number of voting rights. The decisions are taken with majority of votes held by the present or represented shareholders. The decision of modifying the main object of activity, increasing or decreasing the share capital, changing the legal form, merger, division or dissolution of the company shall be adopted with a majority of at least two thirds of the voting rights held by the present or represented shareholders.

(3) The General Assembly is presided by the Chairman of the Board of Directors or his substitute appointed by the Board of Directors.

(4) The General Assembly will choose from the present shareholders one up to three secretaries who will check the attendance register of the shareholders, pointing out the share capital represented by each, the report drawn up by the technical secretary stating the number of the shares hold and the fulfilment of all formalities required by law and the Memorandum for the meeting of the General Assembly.

(5) The Chairman shall be able to appoint, among the company employees, one or more technical secretaries. Such technical secretary shall draw up the attendance register of the shareholders mentioning the share capital represented by each and the report stating the fulfilment of all formalities required by law and the Memorandum for the meeting of the General Assembly.

Art.16. Exercising the right to vote in the General Assembly

(1) The decisions of the General Assembly are taken by secret vote (ballot). Each shareholder attending the Meeting receives a ballot paper bearing the company stamp and including all the items of the agenda, as well as the options «for», «against», « abstain ».

(2) For the purposes of being enforceable against third parties, the decisions of the General Assembly shall be filed within 15 days at the Trade Register Office, in order to be mentioned in the Register and published in the Official Gazette of Romania, Part IV. The company will draw up a current Report on the decisions adopted by the General Assembly, which will be notified within 24 hours from the General Assembly meeting to the CNVM and Bucharest Stock Exchange and will be published in the CNVM Bulletin and the company's website, www.teraplast.ro .

(3) On request, each shareholder will be notified of the results of the voting, on the decisions adopted in the General Assembly.

(4) The voting results shall be also published on the company's web page, within not later than 15 days after the meeting date of the General Assembly.

(5) The decisions adopted by the General Assembly within the limits of the law or the Memorandum are mandatory even for the shareholders who did not attend the Meeting or voted against.

(6) Shareholders who did not vote favourably for a General Assembly decision are entitled to withdraw from the company and ask for their shares to be bought by the company, provided such decision of the General Assembly concerns:

- a) the change of the main object of activity;
- b) relocating the company registered office abroad;
- c) the change of the company form;
- d) company merger or division.

(7) In accordance with the provisions of article 134 of Law no. 31/1990 as amended, the right to withdraw can be exercised within 30 days of the date of publishing the decision of the General Assembly of the Shareholders in the Official Gazette of Romania, Part IV, in cases provided at paragraph (1) a) - c).

(8) The price paid by the company for the shares of the individual exercising a withdrawal right shall be established by an independent authorised expert registered with the CNVM, as the average amount resulting from the application of at least two evaluation methods recognised by the regulations in force at the time of evaluation. Such

expert is appointed by the judge authorised in accordance with the legal provisions, at the request of the Board of Directors. The evaluation costs shall be paid by the company.

(9) To exercise a withdrawal right in the circumstances provided at d), the special provisions of Law no. 297/2004 on the stock market and, respectively, the provisions of CNVM Regulation no. 1/2006 concerning the issuers of and operations with securities, amended by CNVM Regulation no. 31/2006 shall apply.

(10) Decisions that are contrary to the law or the Memorandum can be challenged within 15 days after their publication in the Official Gazette of Romania, Part IV, by any of the shareholders who have not participated in the General Assembly meeting or who voted against and asked to insert that in the report of the meeting.

(11) Where grounds for absolute nullity are invoked, the right to action is imprescriptible, and the request can be formulated by anyone who is interested.

(12) The members of the Board of Directors cannot challenge the General Assembly's decisions on their dismissal.

(13) In case a General Assembly's decision is challenged in court, the company will be represented in court by the Board of Directors, and if the decision is challenged by all the Board members, the company will be represented by the person appointed by the court among the shareholders who will fulfil the powers bestowed on them until the General Assembly convened for such purpose will elect another person.

(14) The shareholders must exercise their rights in good faith and in pursuance of the vested rights of the company and the other shareholders.

Section V. COMPANY MANAGEMENT

Art.17. Type of management

The company is managed in a unitary system.

Art.18. The Board of Directors

Art.18.1. Directors appointment, revoking, vacancy

(1) The company is managed by a Board of Directors consisting of 5 directors elected by the Ordinary General Assembly of the Shareholders by secret vote.

(2) The candidates for director positions are proposed by the current members of the Board of Directors or by the shareholders.

(3) For the appointment of a director to be legally valid, the appointed person should expressly accept it. The person elected as director must have professional liability insurance.

(4) The directors are elected for a period of 4 years, and they can be re-elected.

(5) During their mandate the directors shall enter with the company a managing contract (mandate). If the directors are appointed among the company's employees, their employment contract with the company shall be suspended during such appointment.

(6) The directors can be revoked at any time by the General Assembly of the Shareholders.

(7) In case of vacancy of any or several director positions, the Board of Directors shall appoint temporary directors, until the Ordinary General Assembly of the Shareholders meets.

(8) If the vacancy results in the number of directors being less than the legal minimum, the remaining directors shall convene the Ordinary General Assembly of the Shareholders at once, in order to complete the number of the Board members.

(9) In case the directors fail to meet their duty of convening the General Assembly, any interested party can ask the court to appoint somebody to take charge of the convening of the Ordinary General Assembly of the Shareholders, which should make the necessary appointments.

Art.18.2. Members of the Board

(1) The Board of Directors has 5 directors, the majority being non-executive directors, and at least one of them being able to be an independent director. The Board of Directors chooses a chairperson from among its members.

(2) The Board of Directors can create Consulting Committees consisting of at least 2 members of the Board and charged to carry out investigations and elaborate recommendations for the Board, in areas such as auditing, remuneration of directors, managers, auditors and employees or naming candidates for various management positions. The Committees shall submit to the Board reports on their activity on a regular basis.

(3) At least one member of each created Committee should be an independent non-executive director. The Audit Committee and the Remuneration Committee consist of non-executive directors only. At least one member of the Audit Committee must have experience in applying the accounting principles or in financial audit.

Art.18.3. Competencies and duties of the Board of Directors

(1) The Board of Directors is charged to execute all the papers necessary and useful for the carrying out of the company business objective, except for those falling by law under the competence of the General Assembly of the Shareholders.

- (2) The Board of Directors decides on the opening and closing of secondary offices: subsidiaries, agencies, representative offices and other such offices without legal personality.
- (3) The Board of Directors decides about the organization of the managers' activity.
- (4) The Board of Directors elects and revokes the chairperson of the Board of Directors.
- (5) The Board of Directors has the following basic competences, which cannot be delegated to the managers:
- a) set the main business and development directions of the company;
 - b) establish the accounting and financial control systems and approve the financial planning;
 - c) appoint and revoke the managers and establish their remuneration, considering their specific duties and the economic situation of the company;
 - d) monitor the managers' activity;
 - e) prepare the annual report, organize the General Assembly of the Shareholders and implement its decisions;
 - f) file the application to initiate the insolvency procedure, pursuant to Law 85/2006 on the insolvency procedure;
 - g) ensure the management of the company business;
 - h) approve the creation of the Consulting Committees, appoint its members and their duties;
 - i) approve the marketing strategy;
 - j) define the strategy for implementing the approved budget;
 - k) grant to the shareholders access to documents and information, to the extent permitted by law;
 - l) approve the conclusion on behalf of the Company, of any legal documents, except for those requiring, according to law, the approval of the Ordinary/Extraordinary General Assembly. Therefore, the Board of Directors shall:
 - 1.1.) issue decisions on financial and bank transactions; approve legal documents and operating costs, acquisition of goods and services as well as capital investments and leasing contracts that exceed the amounts provided in the income and expenditure budget approved by the General Assembly, within the limits of competence of the Board of Directors;
 - m) appoint and revoke the Company General Manager and the other managers;
 - n) establish the number of managers and the organisation of their activity;
 - o) establish, concretely, which of the general competencies of the Board of Directors are delegated to managers;
 - p) represent the Company in its relations with the managers;
 - r) decide on any other matters stipulated by law or this Memorandum of Association, within its competence;
 - s) pursuant to Article 114, par. 1 of Law no. 31/1990, as amended and completed, the Board of Directors is also delegated attributions concerning the relocation of the company's registered office in the same county and changing the object of activity of the company, except the main field and main activity;
- (6) The Board of Directors shall delegate the company management to one or several managers.
- (7) The directors are responsible for fulfilling all obligations, according to law.
- (8) The directors are liable towards the company for any prejudice caused by acts committed by the managing staff or employees, in case the damage would not have been produced if they had conducted the supervising required by their duties.
- (9) The directors are jointly responsible with their immediate predecessors if, being aware of irregularities committed by the first, fail to notify the internal auditors and the financial auditor thereof. The liability for acts or omissions does not extend to the directors who have seen to the noting in the Decision Record of the Board of Directors of their standing against it and have notified it in writing to the internal auditors and the financial auditor.
- (10) The responsibilities of the Board of Directors shall include, among others:
- a) examine and approve the strategic, operational and financial plans of the company, as well as the corporate structure of group, accordingly;
 - b) assess the accuracy of the organisational, administrative and accounting structure of the company and its subsidiaries of strategic relevance on their activity;
 - c) evaluate the general performance of the company and comparing from time to time the results achieved to what was planned;
 - d) examine and approve, in advance, contracts entered into by the company and its subsidiaries having a significant impact on the profitability, assets and liabilities or financial situation of the company, granting special attention to transactions with the parties involved - *transactions with itself* -; for that purpose the Board of Directors shall establish general criteria to identify the transactions of significant impact;
 - e) evaluate, at least once a year, the size, composition and performance of the Board of Directors and its Committees, accordingly;
 - f) transmit information, in the Corporate Governance Report, concerning the application of the provisions of the Corporate Governance Code of Bucharest Stock Exchange and especially on the number of meetings held by the Board of Directors and, as the case may be, the Consulting Committees held during that fiscal year, as well as information on the attendance rate in such meetings of each member of the Board of Directors».

(11) In order to fulfil its duties, the Board of Directors shall adopt strict rules, meant to protect the company interests, in the areas of financial reporting, internal control and risk management.

(12) The directors and the managers shall maintain confidentiality on all documents and information received by them during their mandate and shall comply with the procedure adopted by the issuer in the matter of internal circuit and disclosure to third party of such documents and information.

Art.18.4. Operation of the Board of Directors

(1) The Board of Directors convenes at least once every 3 months.

(2) The Board of Directors is also convened upon the well-founded request of at least 2 of its members or at the General Manager's request. In such case, the agenda shall be established by the authors of the request. The chairman has the obligation to act on such request.

(3) The notice for the meeting of the Board of Directors shall be sent to the directors before the meeting date, the date being set by the Board's decision. The Convening shall include the date, time and place where the meeting will be held and the agenda. Any items that are not mentioned in the agenda shall be dealt with only in emergency cases.

(4) At every meeting a report shall be drawn up including the names of the participants, the order of deliberations, the decisions taken, the number of votes and separate opinions. The report shall be signed by the session chairperson and at least one director.

(5) In case the chairman of the Board cannot or may not vote within the Board, the other members can elect a chairperson of the meeting with the same rights as the acting chairman.

(6) Resolutions in the Board of Directors meetings are adopted by simple majority; in case of parity of votes, the chairman of the Board, who is also the CEO, does not have decisive vote, the resolution submitted to voting being rejected.

(7) The Board meetings can be also attended by means of distance communication, i.e. email, teleconference, videoconference, as well as any other means of distance communication that enable participant identification as well as continuous retransmission of deliberations. In such case, the Board resolutions are adopted by the vote expressed in writing, of the majority members of the Board.

(8) In cases justified by the emergency of the situation and the company's interest, the resolutions of the Board of Directors can only be adopted by the unanimous vote of its members, expressed in writing, by fax or registered letter with acknowledgement of receipt, no further meeting of the Board being necessary. This procedure is not applicable in case of decisions concerning the annual financial statements or the authorised capital.

(9) The Board of Directors shall represent the company in its relations with the managers.

(10) The Board of Directors is coordinated by the chairman of the Board.

(11) Responsibilities of the Chairman of the Board:

- a) coordinate the activity of the Board of Directors and report it to the General Assembly;
- b) see to the good operation of the company bodies.

Section VI. MANAGERS

Art.19. Managers

(1) The Board of Directors delegates the company management to one or several managers, appointing one of them General Manager. The managers shall be appointed by the Board of Directors which will establish their rights and obligations.

(2) The company managers shall ensure a correct flow of corporate information; for this they have a duty to propose to the Board of Directors to adopt a procedure on the internal circulation and disclosure to third parties of documents and information concerning the company, granting special importance to the information that can influence the market price of the securities issued by it.

Section VII. FINANCIAL AUDIT

Art.20. (1) The company is subject to the following types of financial audit: external financial audit; internal financial audit;

(2) the Ordinary General Assembly appoints a financial auditor, the audit contract being signed on behalf of the company by the General Manager and the Economic Manager.

(3) The internal audit is organised in accordance to the standards elaborated by the Auditors' Chamber of Romania, and has the following roles:

- ◆ to supervise the company management;
- ◆ to check whether the financial statements have been drawn up according to the law and their concurrence with the records required by law, and if such records are regularly kept;

- ◆ to check if the evaluation of the patrimonial assets has been made according to the rules established for drawing up and submitting the financial statements;
- ◆ to notify the Board of Directors of any management irregularities and violation of the legal provisions and the Memorandum of Association, and the most important cases shall be notified to the General Assembly of the Shareholders;
- ◆ to check the facts claimed by the shareholders representing individually or jointly at least 5% of the share capital, and if it finds that the facts are substantiated, shall note them in a report to be communicated to the Board of Directors, and made available to the General Assembly.

Section VIII. COMPANY ACTIVITY

Art.21. The fiscal year

The fiscal year starts on 1st January and ends on 31st December of each year.

Art.22. Depreciation of assets

The Board of Directors establishes, according to the law, the manner of depreciation of fixed assets.

Art.23. Accounting records and balance sheet

(1) The company shall keep its accounting records in lei (RON), shall draw up the annual balance sheet and the profit and loss statement, with consideration of the methodology norms elaborated by the Ministry of Public Finance.

(2) The balance sheet and the profit and loss statement shall be published in the Official Gazette, according to law.

Art.24. Calculation and distribution of profit

(1) The company profit is based upon the balance sheet approved by the General Assembly. The taxable profit is established according to law.

(2) Funds designed for improvement, research and development of new products, investment, repair, as well as other designations established by the General Assembly can be established from the company profit.

(3) The legal reserve, which will be of at least 5% of the total profit achieved in the annual balance sheet, being completed until it reaches at least one fifth of the share capital, as well as other ratios provided by the regulations in force shall be established out of the annual profit.

(4) The legal tax is taken out of the achieved profit mentioned in the balance sheet, thus resulting the profit due to the shareholders, which is distributed among them according to their share capital contribution, as well as for other company needs.

(5) The profit due to the shareholders shall be paid by the company according to the law.

(6) In case loss is recorded, the General Assembly shall assess the causes and make appropriate decisions.

(7) The loss incurred by the shareholders shall be proportionally to their share capital contribution and within the limits of the subscribed capital.

Art.25. Company records

The company shall keep such records as provided by law.

Section IX. CHANGING THE LEGAL FORM, DISSOLUTION, LIQUIDATION, DISPUTES

Art.26. Changing the legal form

The company can be changed into a different type of company by the decision of the General Assembly of the Shareholders.

Art.27. Company dissolution

(1) The following circumstances may lead to the company dissolution:

- impossibility of achieving the company objective;
- the decision of the General Assembly;
- bankruptcy;
- loss of a half of the share capital, after having spent the reserve fund, unless the General Assembly decides to complete the share capital or reduce it to the amount left;
- the number of shareholders is less than 2, over a period longer than 9 months;
- in any other circumstances, based upon the decision of the General Assembly, adopted in unanimity.

(2) The dissolution of the trading company must be recorded at the Trade Register and published in the Official Gazette.

Art.28. Company liquidation

(1) In case of dissolution, the company shall be liquidated.

(2) The liquidation of the company and the distribution of its assets shall be based on and in compliance with the legal procedure.

Art.29. Disputes

- (1) The company disputes with natural persons or legal entities shall be settled by the Romanian courts.
(2) Disputes resulting from contractual relations between the company and Romanian legal entities can be also resolved by arbitration, in accordance with the law.

Section X. FINAL PROVISIONS

Art.30. The provisions of this Memorandum of Association shall be completed with the applicable legal provisions governing the companies.

This Memorandum of Association has 10 (ten) pages and 30 (thirty) articles.

**Chairman of the Board of Directors,
Dorel Goia**