

ARTICLES OF INCORPORATION*

of

Company "CEPROCIM S.A"

Bucharest – established based on Decision of Government nr. 1224/23.XI.1990

CHAPTER I

DENOMINATION, LEGAL FORM, HEAD-OFFICE, PERIOD

Art. 1 - Company denomination

Company denomination is Company "CEPROCIM S.A."

In all papers, invoices, announces, publications and other papers resulted from company, company denomination will be preceded or followed by the words "joint-stock company" or the initials "S.A.", by social capital and registration number.

Art. 2 - Legal form of company

The-Company "CEPROCIM S.A." is Romanian legal person, having legal form of joint stock company. This develops its activity in accordance with Romanian laws and with the present Statute.

The company privatized based on Law no.55/1995 is of open type.

Art. 3 - Company head-office

Company head-office is in Romania, Bucharest locality, #6, Preciziei Blvd., sector 6. Company head-office may be changed in other locality from Romania, based on General Meeting of Shareholders, according to law.

The company may have the branches, subsidiaries, representations, agencies, also situated in other localities from country and abroad.

Art. 4 - Company term

Company term is unlimited, with beginning from the date of registration at the Office of Trade Register.

CHAPTER II

SCOPE, RANGES AND CLASSIFICATION OF THE ACTIVITIES

Art. 5 - The scope and the ranges of company activity

The company is a research body which develops after case activities:

- of economic nature in order to perform a profit,
- of non-economic nature in order to exercise activities of research/development and of distribution of their results (eventual profit obtained from activities financed from public funds of research/development, conducted by the system of financing contracts is integral reinvested in such activities).

*updated according to the modifications made by the Decision AGEA no.4/2017

Main ranges of activity of economic nature and/or non-economic are:

a) **Studies and researches**

Studies and geological and geotechnical surveys, quantitative and qualitative determination of raw materials and fuels, tests and laboratory analysis.

Studies and researches regarding the obtaining of new binders and derived products (asbestos-cement, concretes, mortars, etc.) new technologies, optimization of products quality and technology modernization, the control of manufacturing laboratory, elaboration of standards, expertises, technical-economical prognosis.

Acquiring of intellectual property (know-how, licences, patents and author rights) as consequence of researches, studies and elaborated documentations.

Researches and studies of environment protection, using of wastes (alternative fuels), technological audits, thermal-energetic balances, certifications de products.

b) **Consulting-engineering**

Projects of basis and auxiliary equipment, complete or in cooperation with manufacturing companies of equipment.

Projects of erection for all categories of equipment and installations.

Projects of architecture (urbanism, systematization, industrial design), projects of constructions (structures resistance), projects of communication ways and land arrangement.

Studies of pre-feasibility and feasibility, technical-economical expertises, including expertising of constructions projects.

Consulting for designing, engineering, erection of some new manufacturing lines or modernization of the existing ones.

Technical assistance and control of author at tooling of equipment, execution of constructions, erection of equipment and installations and at their put into operation.

c) **Services and commercial operations**

Operations of internal trade and foreign trade with products and services, including intermediations.

Services of general contractor and procurement (general supplier).

Elaboration of tender documents and inquiries for acquisition of equipment, materials and spare parts, comparative analyze of the offers, purchasing and delivery of goods.

Performing of services based on commission.

d) **Connected ranges**

Topographic and cartographic studies, evaluations of patrimony.

Performing of the products in regime of micro-production and their trading.

Works of constructions, arrangements and erection of equipment in own administration.

Execution and trading of models, products and editorial materials, typographical, advertising and of distribution of technical-scientific information and economic with public character.

Training and testing (professional and psychological) of technical personnel.

Performances with social character in favor of employees.

Art.6 - Classification of the activities (CAEN/rev.2)

a) Main object of company activity is :

7219 – Research development in other natural sciences and engineering.

b) Other activities:

7112 – Activities of engineering and technical consultancy subject to these

7120 – Activities of tests and technical analysis

7490 – Other professional, scientific and technical activities, non-classified elsewhere.

7111 – Activities of architecture

7022 – Activities of consultancy for business and management

7320 – Activities of studying of market and poll

8559 – Other forms of education non-classified elsewhere.

4110 – Real estate development (promotion)

6810 – Selling and buying of own immovables

6820 – Renting and sub-renting of own or rented immovables

4614 – Intermediations in trading with cars, industrial equipment, ships and airplanes

5629 – Other services of alimentation non-classified elsewhere.

2331 – Manufacturing of plates and dales from ceramics;

2349 – Manufacturing of other ceramic products non-classified elsewhere;

2369 – Manufacturing of other products from concrete, cement and plaster;

2399 – Manufacturing of other products from non-metallic minerals, non-classified elsewhere.

CHAPTER III

SOCIAL CAPITAL, SHARES

Art. 7 - Social Capital

The social capital is of 3.611.235 lei, divided in 1.444.494 nominative actions in nominal value of 2,50 lei each, integrally subscribed and paid-in share capital by shareholders.

The social capital is composed from:

- part in cash in sum of 3.599.385,00 lei,
- part in nature in value of 11.850,00 lei

The shareholders part at the social capital:

SHAREHOLDER	NO. SHARES	SOCIAL CAPITAL PART			Quote of participation at benefits and losses
		TOTAL (lei)	CASH (lei)	IN KIND (lei)	
Predescu Hariton George, Romanian citizen, domicile in Bucharest, Izvorul Muresului Street, #11, Block A11, Stair E, ap.66, sector 4, PNC 1481003400481	255.690	639.225,00	639.225,00	-	17,7010%
AVAS	9.480	23.700,00	11.850,00	11.850,00	0,6563%
Natural persons	956.502	2.391.255,00	2.391.255,00	-	66,2171%
Legal persons	222.822	557.055,00	557.055,00	-	15,4256%
TOTAL	1.444.494	3.611.235,00	3.599.385,00	11.850,00	100,000%

Art. 8 – Shares

The shares are nominative, disembodied, these may be transacted only on organized markets. Direct transaction of shares may be done only in special cases provided by law.

Evidence of the shares and the shareholders may be kept in registers at company head-office or on contractual basis at an authorized company in such services of organized market of real estate values.

Art. 9 - Decreasing or increasing of social capital

The social capital may be decreased or increased based on the Decision of Extraordinary General Meeting of the Shareholders in the conditions and with observing of the procedure provided by law.

Art. 10 - Rights and obligations that result from shares

Each subscribed and paid-up share by the shareholders give to these the right at one vote in the General Meeting of the Shareholders, the right to choose and to be chosen in management bodies, the right to participate at profit distribution, in accordance with the provisions of the present Statute and legal dispositions, at other rights provided in Statute, respectively.

Detaining of share involves adhesion of right at Statute.

The rights and the obligations subject to shares follow the shares in case of their passing in the property of other persons.

Company obligations are guaranteed with social capital of this, and the shareholders are responsible in the limit of shares value on which they detain.

Company patrimony can't be burden by debts or other personnel obligations of the shareholders. A creditor of a shareholder may formulate claims on the part from company profile that will be distributed by the General Meeting of Shareholders or of a part quote inhered this at company dissolution, made in the conditions of present Statute.

Art. 11 - Shares cession

The shares are indivisible regarding the company, who recognize just a proprietary for each share.

Partial or total cession of the shares between shareholders or third parties is made in the conditions and with the procedure provided by law.

Art. 12 - Shares loss

In case of loosing the statement of account, the proprietary will have to announce the registrar company.

CHAPTER IV

GENERAL MEETING OF SHAREHOLDERS

Art. 13 - Attributions

General Meeting of Shareholders is the strategy-making body of the company, who decides on its activity and assures its economic and trading politics.

General Meeting of Shareholders is ordinary and extraordinary and has the following main attributions:

- a) Choose the members of the Board of Directors, the members of Commission of Censors/Financial Auditory, free them of activity and revoke them.
- b) Annulled
- c) Establish the Revenue and Expenditure Budget and, after case, the program of activity on the following exercise.
- d) Exam, approve and modify the balance and the account of profit and loss after analyzing of the reports of the Board of Directors and of the Commission of Censors/Financial Auditory and approve profit distribution.
- e) Decide regarding to the contracting of banking loans on long term, including external ones, establish the competences and the level of contracting of current banking loans, of commercial credits and of guarantees, approve any kind of financial credit given by company.
- f) Decide regarding to the establishment and dissolution of branches, subsidiaries and agencies.
- g) Decide regarding to increasing or decreasing of social capital, at the modification of the number of shares or of nominal value of these, and also at the cession of shares.
- h) Decide regarding to adopting or modification of the Articles of Incorporation, and also at transforming of legal form of company.
- i) Decide regarding to merging, dividing, dissolution and liquidation of company.
- j) Analyze the reports of the Board of Directors regarding the stage and the perspectives of company concerning to profit and equities, position on internal and international market, technical level, quality, labor force, environment protection, relationship with clients.
- k) Decide regarding to acting in justice of the Board members and of censors or Financial Auditory, for damages brought forth company.

l) Decide on organized market of real estate values on which will be transacted the shares and decide in any type of problems that concern the company.

The attribution of Ordinary and Extraordinary General Meetings of the Shareholders are different according to law.

Art. 14 – Convocation of general meeting of shareholders

Ordinary and Extraordinary General Meetings are convoked in law conditions.

Art. 15 - Organization of general meeting of shareholders

Ordinary General Meeting is valid constituted and may take decisions if at the first convocation, present or represented shareholders detain least 1/4 from total number of vote rights, and at the second convocation, indifferent of the part of capital represented by present shareholders.

Extraordinary General Meeting is valid constituted and may take decisions if at the first convocation, present or represented shareholders detain least 1/4 from total number of vote rights, and at the second convocation if they detain least 1/5 from total number of vote rights.

General Meeting of Shareholders is presided by the President of the Board of Directors, and when this is missing by one of the shareholders appointed by meeting.

General Meeting of Shareholders appoints between the members of General Meeting or between company employees a secretary who will check the list of shareholders presence, to elaborate official report of the meeting and to keep the evidence of the documents.

The Official Report of the meeting will be written in a sealed and stamped register. The Official Report will be signed by the person who preside the meeting and by the secretary who elaborate it.

Art. 16 – Exercise of vote right in General Meeting of the Shareholders

The decisions are taken by vote on bulletins;

Art. 17 – The decisions of General Meeting are taken as follow:

a) **Ordinary**

- the first and the second convocation: the decision is adopted if it is voted by the shareholders who detain the majority of expressed votes.

b) **Extraordinary**

- the first and the second convocation: the decision is adopted with least 2/3 from vote rights detained by present or represented shareholders.

c) **Annulled**

CHAPTER V

COMPANY MANAGEMENT

Art. 18 - Organization

The company is managed in unitary system by a Board of Directors composed of 3(three) members chosen in law conditions on the period of 2-4 years with right of reelection on new periods.

The President of the Board of Directors (who may also fulfill the function of General Manager) is appointed/revoked by the Board of Directors.
The attributions of the Board of Directors and of the President are those provided by law.

In the case of approval by the General Meeting of intern audit, or when the law impose, the Board of Directors will decide on organization form of its performing.

On the period in which yearly financial situations make the object of a legal obligation of financial auditing, company management delegate to the General Manager and to other Directors appointed by the Board of Directors, who will act separately. The attributions of the directors will be established by the General Manager, who may also delegate to these from their own attributions provided by art.19.

Art. 19 – Attributions of the General Manager

The General Manager has mainly the following attributions:

- a) Approve the organization structure and of personnel of company and establish the obligations and the responsibilities on functions and compartments.
- b) Select, employ and dismiss employee personnel in law conditions.
- c) Negotiate collective and individual labor contracts.
- d) Represent the company in relations with legal authorities and business partners. Approve affiliation at foundations and professional and patron associations (signing or empowering persons to sign the acts of incorporation and statutory of these), appoint company representatives in such bodies and establish the quantum of financial obligation of company.
- e) Conclude legal papers in name and behalf of the company; the papers for which, according to law or decision of General Meeting of Shareholders is necessary of its approval, is concluded only according to this approval.
- f) Approve the operations of collecting and payments and of selling-buying of goods in the limit of competences given by General Meeting of shareholders.
- g) Annulled
- h) Annulled
- j) Dispose of the authority of taking any measure, in company interest, for conservation of patrimony and personnel protection in situation of force majeure, subsequently informing the General Meeting of Shareholders.
- k) Approve in law conditions, cassation of amortized or non-amortized fixed assets and of the objects of inventory.
- l) Choose the authorized company for services of independent register.

CHAPTER VI

COMMISSION OF CENSORS, FINANCIAL AUDITORY AND INTERN AUDITORY

Art. 20 – Commission of Censors, Financial Auditory and Intern Auditory

Company administration is controlled by shareholders, the Commission of Censors and depending on legal provisions applicable of financial auditory and/or intern auditory.

Appointing, revocation and attributions of bodies that control company administration are those provided by law.

In order to may exercise the right of control, to shareholders may be presented at request data regarding to company activity, patrimony situations, of profits and loss.

The Commissions of Censors have the following main attributions:

- a) In course of financial exercise, check the administration of fix funds and of net currents assets, of the portfolio of effects, cash desk and the registers of accounting evidence and inform the Board of Directors on stated irregularity.
- b) At concluding of financial exercise control inventory exactitude, of the documents and the information presented by the Board of Directors on company accounts, of the balance an of the account of profit and loss, presenting to general meeting of shareholders a written report.
- c) At company liquidation control the operations of liquidation.
- d) Present to general meeting of shareholders his point of view at the proposals of decreasing the social capital or of modification of the Statute and the object of company.

The Commission of Censors is reunite at company head-office and take decisions in unanimity. If the unanimity is not performed, the report with divergences is forward to general meeting.

The Commission of Censors may convoke Extraordinary General Meeting of Shareholders, if this was not convoked by the Board of Directors, in case when the social capital was diminished with more than 10% for a period of 2 consecutive years or anytime consider necessary for other situations regarding the infringement of legal and statutory dispositions.

The attributions and the way of acting for the Commission of Censors, and also the rights and obligations of the censors are completed with legal dispositions in this range.

The censors and acting censors are appointed on a period of maximum 3 years and may be reelected; the number of censors must be unpaired.

With the quality of censors are incompatible the persons who are relatives or affinitive up to the 4th degree with any from the administrators, his husband (wife), those who receive, indifferent of form, for other functions than that of censors, a salary or a remuneration from company, and also the persons for whom is forbidden the function of administrator of commercial company.

Financial audit is assured by the company S.C. RTS CONSILIER S.R.L., J40/21729/2004, CUI 17071979, from Bucharest, Piata Alba Iulia # 7, Sector 3, represented by Mr. Ivanel Danila, specialized in this range.

On the periods when the financial situations are subject to financial audit, it will be organized intern audit in accordance with the norms of the Chamber of Financial Auditors from Romania.

CHAPTER VII

COMPANY ACTIVITY

Art. 21 - Financial economic exercise

Financial economic exercise begins from 1st of January and is ended at the 31st of December of every year. The first exercise begins at the date of company establishment.

Art. 22 – Company personnel

Company directors, including the General Manager, are appointed by the Board of Directors.

The rest of personnel is employed by the General Manager of the company.

The level of salaries for company personnel, on categories of functions, is established and may be modified by the General Manager depending on studies and the labor which is effective carried out, with observing of minimum limit of remuneration provided by law.

The remuneration is made in accordance with the legislation in force.

The payment of the salaries, taxes on these and of the quote of social insurances is made in accordance with law.

The rights and the obligations of company personnel are established by the General Manager of the company.

Art. 23 – Funds amortization

The Board of Directors establishes, in law conditions, the way of amortization for capital assets.

Art. 24 – Accounting evidence and accounting balance

The company will keep accounting evidence, in lei, in accordance with the Law of accounting and will elaborate yearly the balance and the account of profit and loss, taking into account methodological norms elaborated by Ministry of Finance.

The balance and the account of profit and loss will be published in accordance with law.

The company will keep a clear and distinct evidence of the costs and financing of the activities of economic and non-economic nature (financed from public funds of research/development conducted by the system of the contracts of financing).

Art. 25 – Profit calculation and distribution

The profit of company is established based on the balance approved by general meeting of shareholders. Imposable profit is established in law conditions.

From company profit may be constituted funds designated to modernization, research and development of new products, investments, repairs and also for other destinations established by general meeting of shareholders.

From yearly profit is established the reserve fund which will be of more 5% from the total of the profit provided in yearly balance (its constitution being made up to reach minimum the fifth part from social capital) and also other quotes provided by the rules in force.

From the profit provided in balance is subtracted legal tax, resulting the dividends for the shareholders, which are allocated between these, proportional with the part at social capital, and also the funds retained for other needs of company.

The payment of the dividends for shareholders is made by company, in law conditions, after approval of the balance by general meeting of shareholders.

In case of registration of loss, General Meeting of Shareholders will analyze the causes and will decide consequently.

Supporting of loss by shareholders will be made proportional with the part of capital and in the limit of subscribed capital.

Art. 26 – Company registers

The company keeps the registers provided by law.

CHAPTER VIII

MODIFICATION OF LEGAL FORM, DISSOLUTION, LIQUIDATION, LITIGATIONS

Art. 27 – Modification of legal form

The company may be transformed in other form of company by decision of General Meeting of Shareholders.

New company will fulfill legal formalities of registration and publicity required at companies establishment.

Art. 28 – Company dissolution

The following situations lead to company dissolution:

- impossibility of performing social object;
- decision of general meeting of the shareholders;
- as consequence of bankruptcy;
- loosing of a half from social capital, after the fund of reserve was consumed, if General Meeting of Shareholders does not decide the completion of capital or its decreasing at remain sum;
- number of shareholders will be decreased below 5, more than 6 months;
- at request of every shareholder, if the circumstances of force majeure and their consequences run for more than 8 months, and the General Meeting of the Shareholders stated that the acting of company is not possible;

The dissolution of commercial company must be inscribed in the Trade Register and published in the Official Monitor.

Art. 29 – Company liquidation

In case of dissolution the company will be liquidated.

Company liquidation and patrimony repartition are made in the conditions and with observing of the procedure provided by law.

Art. 30 – Litigates

Company litigates with Romanian natural and legal persons are of competence of law court from Romania.

The litigates resulted from contractual reports between company and legal persons may be also solved by arbitration according to law.

CHAPTER IX

FINAL DISPOSITIONS

Art. 31 – The provisions of present Articles of Incorporation is filled with legal dispositions concerning to commercial companies.