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Two-tier system company

To
FINANCIAL SUPERVISORY AUTHORITY
BUCHAREST STOCK EXCHANGE

CURRENT REPORT according to ASF REGULATION no. 5/2018 regarding the issuers of financial instruments and market operations and to LAW no. 24/2017 regarding issuers of financial instruments and market operators

Report date: 21.10.2020

Company name: VES S.A.

Company headquarters: Sighișoara, Str. Mihai Viteazul, No. 102, jud. Mureș.

Fax: 0265/778865 – 0265/779710

Phone: 0365/ 808 884 ; 0365/ 808 885.

Unique Registration Code: RO 1223604

Trade Registry Number: J26/2/1991

Subscribed and paid-up share capital: 1,881,719.00 lei

Number of shares: 18,817,190

Voting rights: 18,817,190

The regulated market on which the issued securities are traded: REGS, Standard category of BSE (Bucharest Stock Exchange).

Important event to report: Notice to attend Ordinary General Meeting of Shareholders and Extraordinary General Meeting of Shareholders of 25/26.11.2020, which we submit in attachment.

| PRESIDENT OF THE MANAGEMENT BOARD,
Gelu Stan
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NOTICE TO ATTEND

The management of **VES S.A.**, a Romanian two-tier system company, with headquarters in Sighișoara, str. Mihai Viteazu, nr. 102, Mureș county, registered with the Trade Register under no. J26/2/1991, with unique registration number RO 1223604, pursuant to art. 117 of Law no. 31/1990 regarding commercial companies, republished, with subsequent amendments and supplements, has decided in the meeting of **21.10.2020** the call of the **Ordinary and Extraordinary General Meeting of the Shareholders**, in accordance with the statutory and legal provisions in force, for **25.11.2020, at 12:00 a.m., and respectively, at 13:00**, in Cluj-Napoca, str. Fagului, nr. 83, Cluj County.

The notice is addressed to all shareholders registered in the Register of Shareholders of the Company at the end of the day of 13.11.2020, considered as a reference date for holding the General Meeting.

If on 25.11.2020 the presence quorum stipulated by the legislation in force and by the Articles of Incorporation of the Company are not met, it shall be convened and fixed, on the grounds of Article 118 of Law no. 31/1990, republished - the Second General Meeting of Shareholders for **26.11.2020** at the same time, in the same place and with the same agenda.

I. The agenda of the Ordinary General Meeting of the Shareholders is the following:

1. To find the termination of the mandates of the members of the Supervisory Board starting with 06.12.2020, as a result of the fulfilment of the term for which they were granted;

2. To elect the members of the Supervisory Board according to the provisions of the Articles of Incorporation of the company and validation of the mandates for a period of 4 (four) years starting with 06.12.2020, respectively for the period 06.12.2020 - 06.12.2024, considering the expiration of the mandates of the current members on the same date; the deadline for submitting applications is 09.11.2020; to establish the remuneration of the new members of the Supervisory Board.



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3. To approve the date of 14.12.2020 as registration date, i.e. for identifying the shareholders covered by the GMS decision, in compliance with the provision of the Law 24/2017 regarding issuers of financial instruments and market operators, and of 11.12.2020 as ex date, as defined by the NCS Regulation no. 5/2018.

4. To mandate the President of the Board of Directors to carry out all the necessary formalities in order to register and publish the SGA decisions, as well as of any and all steps and procedures necessary for their fulfilment.

II. The agenda of the Extraordinary General Meeting of the Shareholders is the following:

1. To approve the request for the restructuring of the tax debts registered by the Company towards the state budget with maturities until 31.07.2020 and to approve the restructuring plan, in accordance with the procedure regulated by the GD no. 6./2019 on the establishment of tax reliefs, approved and amended by Law no. 114/2020 regarding the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts, as well as the ratification of Decision no. 24 of 28.09.2020 adopted by the Directorate and Decision no. 16 of 28.09.2020 adopted by the Supervisory Board regarding the approval of the steps regarding the restructuring of the tax debts regulated by GD no 6/2019 on the establishment of tax reliefs, approved and amended by Law no. 114/2020 on the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts.

2. To approve the contracting of a credit facility/facilities from the partner banks, CEC Bank SA and/or OTP Bank România SA and/or any other bank and/or credit institution and/or non-bank financial institution that may offer the Company a financing having as destination the payment of debts to the state budget, amounting to up to 3 million lei for a period of maximum 7 years and/or during the restructuring project resulting from the steps from point 1, value of the facility that can be contracted by a single financial institution and/or several financing institutions, together or separately, having as destination the payment of the budgetary obligations to be paid until the date of submission of the restricting application in



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accordance with the procedure regulated by the GD no. 6/2019 on the establishment of tax reliefs, approved and amended by Law no. 114/2020 on the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts.

3. To approval the guarantee with any and all movable and/or immovable property owned by the Company and/or other affiliated companies, related or surety, with present and/or future receivables resulting from commercial contracts, movable mortgages on stocks, movable mortgages on bank account, surety contracts, or rank I and/or of subsequent rank, for the credit facilities that will be contracted according to those from the previous points.

4. To approve the guarantee with all and any movable and/or immovable property owned by the Company and/or other affiliated companies, related or surety, with present and/or future receivables resulting from commercial contracts, movable mortgages on stocks, movable mortgages on bank accounts, contracts of surety of rank I and/or of subsequent rank, assuming the quality of co-debtor guarantor for the credit facilities that will be contracted by any of the other companies of the Chimica Group of companies (Chimспорт Automotive SA, Chimica Automotive SA, Chimспорт SA, Chimica Research & Development SA, Chimica Real Estate SRL, Chimica Navete & BLC SRL, Chimica Medical SRL) for the payment of tax obligations towards the Romanian state budget within the restructuring procedure in accordance with the procedure regulated by the GO no. 6/2019 on the establishment of tax reliefs, approved and amended by Law no. 114/2020 regarding the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts.

5. To approve the guarantee with all and any movable and/or immovable property owned by the Company and/or other companies, with present and/or future receivables resulting from commercial contracts, movable mortgages on stocks, movable mortgages on bank accounts, contracts of surety of rank I and/or of subsequent rank, assuming the quality of co-debtor guarantor for the credit facilities that will be contracted and/or are contracted, as an exchange of guarantees with the partner banks and/or with the Romanian state and/or with guaranteed suppliers,



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with the aim of identifying the best guarantee conditions for obtaining the necessary financing and contracting credit facilities for the payment of tax obligations within the procedure regulated by the GD no. 6/2019 on the establishment of tax reliefs, approved and amended by Law no. 114/2020 regarding the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts, due by the Company and/or another company within Chimica Group of companies (Chimsport Automotive SA, Chimica Automotive SA, Chimsport SA, Chimica Research & Development SA, Chimica Real Estate SRL, Chimica Navete & BLC SRL, Chimica Medical SRL).

6. To mandate the Management Board and/or the members of the Management Board, together and/or individually, by their joint signature and/or individual signature, to sign in the name and for the Company all and any documents necessary to carry out the procedures provided in the previous points, the individual and/or joint signature of the members of the Management Board being enforceable against the Company, including, but not limited to signing credit facility contracts, contracts/addenda for guarantee, consultancy, legal assistance, proxies or powers of attorney of some professionals for the representation of the company. The mandate extends until the result is obtained: restructuring of tax debts in accordance with the procedure regulated by the GD no. 6/2019 regarding the establishment of tax reliefs, approved and amended by Law no. 114/2020 on the approval of the Government Emergency Ordinance no. 90/2020 for the amendment of the Government Ordinance no. 6/2019 regarding the establishment of tax reliefs, as well as for the modification of other normative acts.

7. To approve the extension of the credit line facility concluded by Chimsport SA as debtor, Ves SA as real pledgor and co-debtor, for the amount of RON 17,788,041 with CEC Bank SA, pursuant to the Contract no. RQ13120793669278 of 10.01.2014 and to the subsequent Addendum, for a new period of maximum 24 months, with the possibility of extension, as well as the maintenance of the guarantees:

- real estate mortgage on the following real estate items property of Chimsport SA, located in Orăștie, str. Codrului, nr. 24, jud. Hunedoara: 1) buildable land with an area of 8,690 sq. m and buildings consisting of C1 - warehouse and C2 - shed, registered with the



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Land Registry under no. 60457, in Orăștie, 2) buildable land with an area of 580 sq. m and construction consisting of Electrical workshop with locker room, registered with the Land Registry under no. 61158 Orăștie,

- real estate mortgage on the following real estate items property of Chimica SA, located in Orăștie, str. Codrului, nr. 24, jud. Hunedoara: 1) buildable land with an area of 10,290 sq. m and building consisting of C1 - Heavy injection workshop, GF, C2 - offices, GF+2, C3 - mill, C4 - Heavy injection workshop,, GF, C5 - storeroom, GF, registered with the Land Registry under no. 61052, in Orăștie; 2) buildable land with an area of 10,984 sq. m and building consisting of C1 - investment offices, GF+2, C2 -new die making facility, GF, C3 - old die making facility, GF, 1st floor partially used as locker rooms, C4 - locker rooms, GF+2, C5 - storeroom, GF, C6 - storeroom, GF, C7 - storeroom, GF, registered with the Land Registry under no. 61053, in Orăștie;

- real estate mortgage on the following real estate items owned by VES SA: 1) buildable land with an area of 358 sq. m and building consisting of a House with 1 room, kitchen, stoop, registered with the Land Registry under no. 50026, in Albești; 2) buildable land with an area of 990 sq. m and building consisting of a Dwelling with 2 rooms, kitchen and fixtures, registered with the Land Registry under no. 50027, in Albești; 3) buildable land with an area of 252 sq. m and buildings consisting of a Pilot Research Station for special enamelled pots (offices + laboratories), registered with the Land Registry under no. 50031, in Albești; 4) buildable land with an area of 1,735 sq. m and buildings consisting of C1 - Electro-loading Station, C2 - Warehouse, C3 - Storeroom, C4 - Metal shed, C5 - Boiler room, C6 - Boiler room, registered with the Land Registry under no. 50179, in Albești; 5) buildable land with an area of 5,371 sq. m and buildings consisting of C1 - Gate House, C2- Canteen, registered with the Land Registry under no. 50180, in Albești, owned by VES SA; 6) buildable land with an area of 3,193 sq. m and buildings consisting of C1- Rainwater tank, C2 - Gas adjustment house, C3 - Pump house, C4 - Warehouse , C5 - Pump station, C6 - Settling tank, C7 - Settling tank, C8 - Decanter, C9 - Acid water storage tank, C10 - Garage, C11 - Gas adjustment house, C12 - Decanter, C13 - Settling tank, registered with the Land Registry under no. 50181, in Albești; 7) buildable land with an area of 2,123 sq. meters and buildings consisting of C1 - Fuel deposit, C2 - Metal shed for storing Caldi products, registered with



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the Land Registry under no. 50664, in Sighișoara; 8) buildable land with an area of 3,189 sq. m and a building consisting of C1-Finished goods warehouse, registered with the Land Registry under no. 50939, in Sighișoara; 9) buildable land with an area of 2,343 sq. m and a building consisting of C1 - Water utilities, C2-Water tank, registered with the Land Registry under no. 50940, in Sighișoara; 10) buildable land with an area of 12,042 sq. m and a building consisting of C1 - Administrative building (offices), C2 - Enamelled pots manufacturing building, C3 - Workshops, C4 - Compressor station, C5-Workshops, C6 - Trafo station, registered with the Land Registry under number 50942, in Sighișoara; 11) buildable land with an area of 3,831 sq. m and a building consisting of C1 - Press workshop and metal sheets warehouse, C2 - Tank, registered with the Land Registry under no. 50944, in Sighișoara; 12) buildable land with an area of 4,870 sq. m and buildings consisting of C1 - Metal workshop, C2 - Gate house, C3 - Toilet and cabin, C4 - Metal shed, registered with the Land Registry under no. 50946, in Sighișoara.

- movable mortgage on the stock owned by Ves SA, at the value of the required guarantee;

- movable mortgage on existing and/or future receivables arising out of any other commercial contracts/relationships concluded by Ves SA with the customers; DEDEMAN SRL, WEEKEND SRL, MAGDOLNA IMPEX SRL, VIA-COM SRL.

- movable mortgage on existing and potential receivables arising out of any other commercial contracts, concluded by Chimsport SA with domestic and/or foreign customers;

- movable mortgage on the accounts opened by the Company with CEC Bank SA.

- parent guarantee agreement with Ildate Management SRL;

- pledge over insurance policies of goods presented a guarantees to CEC Bank SA.

- tangible collaterals belonging to Mr. Fărcaș Alexandru and Mrs. Fărcaș Monica Elena, including the waiver clause for the benefit of discussion or division.

8. To approve the extension of the credit line facility concluded by Chimsport SA as debtor, Ves SA as real pledgor and co-debtor, for the amount of RON 5,500,000 with CEC Bank SA, pursuant to the Contract no. RQ14121144736129 of 09.12.2014 and to the subsequent addenda, for a new period of maximum 24 months, with the possibility of extension, as well as the maintenance of the guarantees:



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- real estate mortgage on the real estate item representing land within the built-up area with an area of 9,534 sqm and constructions consisting of: C1 - 'SALOMON' production floor, GF and GF+1; C2 - Warehouse no. 1, GF; C3 - Warehouse no. 2 + compressors, GF C4 - Warehouse no. 3, GF; C5 - Warehouse no. 4 + Mechanics workshop, GF; C6 - Mill workshop, GF ; C7 - Assembly workshop no. 1, GF ; C8 - Warehouse no. 2, GF ; C9 - Warehouse no. 5, GF , registered with the Land Registry under no. 60503 Orăștie, property of CHIMSPORT SA, located in Orăștie, str. Codrului, nr. 24, jud. Hunedoara;

- movable mortgage on the current accounts opened by the Company with CEC Bank SA;

- movable mortgage on the receivables resulting from the Nomination Letter dated 10 June 2013, concluded between Chimsport SA and Euro Auto Plastic Systems;

- movable mortgage on the receivables resulting from the Nomination Letter dated 15.10.2013, concluded between Chimsport SA and Faurecia Interiors Industrie SNC France;

- tangible collaterals belonging to Mr. Fărcaș Alexandru and Mrs. Fărcaș Monica Elena, including the waiver clause for the benefit of discussion or division;

-movable mortgage on the accounts opened by Chimica SA and Chimica Automotive SA with CEC Bank SA;

- pledge over insurance policies of goods presented a guarantees to CEC Bank SA.

9. To mandate the Management Board and/or the members of the Management Board, together and/or individually, by their joint signature and/or individual signature, to sign in the name and for the Company any documents necessary to extend the credit facilities from the previous points, for the transmission of information, for the request for information, for contracts/addenda for the extension of the credit facilities, for contracts/addenda for the extension/maintenance of guarantees, as well as for all and any documents related to the extending credit facilities.

10. To amend the Articles of Incorporation of the Company, respectively Article 16 para. (25) of the Articles of Incorporation, which will have the following content:

‘(25) The Supervisory Board shall have the following composition:

- *(the member elected in the OGMS will be mentioned)*
- *(the member elected in the OGMS will be mentioned)*



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- *(the member elected in the OGMS will be mentioned)*

11. To approve the date of 14.12.2020 as registration date, i.e. for identifying the shareholders covered by the GMS decision, in compliance with the provision of the Law 24/2017 regarding issuers of financial instruments and market operators, and of 11.12.2020 as ex date, as defined by the NCS Regulation no. 5/2018.

12. To mandate the President of the Management Board to carry out all the necessary formalities in order to register and publish the GMS decisions, as well as for signing of the updated Articles of Incorporation.

III. One or more shareholders which hold, individually or together, at least 5% of the share capital of the company, registered at the reference date, have the right to introduce new items on the agenda of the Ordinary and Extraordinary General Meetings of the Shareholders within a maximum period of 15 days from the publication of the notice, respectively until 08.11.2020, provided that each point is accompanied by a justification or a draft decision proposed for adoption by the Ordinary General Meeting of Shareholders and Extraordinary General Meeting of Shareholders.

Also, the shareholders have the right to present draft resolutions for the items included or proposed to be included on the agenda of the General Assembly, at the latest by 08.11.2020.

These rights shall only be exercised in writing.

The list of information on the name, place of residence and professional qualification of the persons proposed for the position of member of the Supervisory Board is at the headquarters of the company and is available to shareholders, which can be consulted and completed by them

IV. Shareholders have the right to ask questions related to items on the above-mentioned agenda and the answers will be published on the website of the company www.ves.ro. The questions will be submitted or sent in such a way that they will be registered with the Company Registry until the latest on 23.11.2020, at 12:00 a.m., in a closed envelope, with the statement 'FOR THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS' of 25/26.11.2020, respectively 'FOR THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS' of 25/26.11.2020.



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V. The shareholders registered on the reference date may exercise their right to participate and vote directly in the General Meeting of the Shareholders, based on their Identity Card, as well as the right to vote by correspondence or through a proxy, with a special power of attorney or a general power of attorney, according to the information displayed on the Company's website www.ves.ro, GMS section.

If the shareholders designate their representatives to participate and vote in the General Meeting of Shareholders, the notification of their designation shall be submitted to the Company only in writing.

VI. The ballot forms by correspondence and special proxy forms in Romanian and English languages to represent shareholders in the General Meetings of the Shareholders may be obtained at the company and on the company website www.ves.ro, 30 days before the GMS, respectively starting on 24.10.2020.

After completion, the English or Romanian correspondence voting form, with legalization of signature made by a notary public, together with a copy of the identity document - for individuals and a copy of the registration certificate together with the original Confirmation of company details, issued not later than 3 months before the first Meeting or equivalent documents issued by the competent authorities in the country of residence of the shareholder - for legal persons, will be deposited or sent to the Company's headquarters so that they will be registered in the Company's register until the latest on 23.11.2020, 12:00 a.m. in a sealed envelope, with the following statement written clearly and in capital letters 'FOR THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS' of 25/26.11.2020, respectively 'FOR THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS' of 25/26.11.2020.

Correspondence voting forms that are not received in the form and term stipulated in this notice to attend shall not be taken into account for determining the presence and voting quorum as well as for counting votes in General Meeting of Shareholders.

VII. After completion, the special proxies in Romanian or English languages will be submitted or sent, in original, to the headquarters of the Company so that they are registered with the Company Registry until the latest on 23.11.2020, at 12:00 a.m., in a closed envelope, with the statement 'FOR THE ORDINARY GENERAL MEETING OF THE



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SHAREHOLDERS' of 25/26.11.2020, respectively 'FOR THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS' of 25/26.11.2020.

The proxies are drawn up in three original copies, one of which shall be sent to the company according to the aforementioned procedure, one shall remain with the representative in order to prove his/her capacity as a representative at the request of the technical secretariat, and one copy shall remain to the shareholder. The proxies can also be transmitted in electronic format, to the address office@ves.ro, provided that the original is transmitted to the Company according to the provisions of art. 125 paragraph 3 of Law 31/1990 and of this Notice.

Special proxies in original copy filed or sent after 23.11.2020 shall not be taken into account for determining the presence quorum nor for counting votes in General Meetings.

VIII. The shareholder may grant a power of attorney (general power of attorney) valid for a period not exceeding 3 years, allowing his/her representative to vote in all matters in the general meeting of shareholders of the company identified in the power of attorney, including regarding disposition documents, provided that the power of attorney is granted by the shareholder, as a client, to an intermediary defined in accordance with Article 2 paragraph (1) point 20 of Law 24/2017 on issuers of financial instruments and market operations, or to an attorney.

The general power of attorney in copy, including the mention of compliance with the original copy under the signature of the representative accompanied by a copy of the identity card or the registration certificate of the represented shareholder and a copy of the identity card or the representative's registration certificate shall be filed at company headquarters by 23.11.2020 at 12.00.

The shareholders cannot be represented in the GMS on the basis of the general power of attorney emanating from a person who is in a situation of conflict of interest, according to Law 24/2017.

IX. Only persons who are registered as shareholders on the reference date have the right to participate and vote in the General Meetings of Shareholders dated 25/12.03.2019 personally or through a representative.



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X. Documents and informative materials related to the items on the agenda, as well as the draft resolutions for the items on the agenda, as the case may be, are available to the shareholders at the Company's headquarters in Sighișoara, str. Mihai Viteazu ne. 102, Mureș county, and are posted on the company's website www.ves.ro starting with 24.10.2020.

Additional information can be obtained from the company's headquarters or at 0365-808884 or 0365-808885.

PRESIDENT OF THE MANAGEMENT BOARD

Stan Gelu

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