

.....**ARTICLES OF INCORPORATION OF THE COMPANY „ŞANTIERUL NAVAL ORŞOVA” S.A.**.....

Recitals.....

The company's shareholders, gathered at the General Extraordinary Meeting of the Shareholders held on the date of **02.10.2020**, considering that:

- through enacting the new articles of incorporation, no new legal entity will be formed, the company does not disappear and there will be no amendment in its legal form, the company will thus continue their activity aiming at reaching the goals and scope of work;.....
- the text defined below considers the removal of certain provisions from the content of the articles of incorporation, namely of the reproductions from the legal texts regulating the functionality of the companies (Law no. 31/2004, further amended) by simplifying and bringing more clarity to the statutory provisions;
- the concept of drawing up of the articles of incorporation generates more reliability in the fact that it will not require amendments and adjustments to the legislative changes in the field, because they will produce their rightful effect;
- the simple, relaxed formulation of the textual provisions from the regulating norms, will ensure an easier adjustment of the articles of incorporation to the evolution of the relationships between the shareholders and the company's running in an economical and legal environment that is in permanent change and progress;
- the new text defined below aims at removing the phrase „commercial company” from the content of the articles of incorporation and to replace it with the term „company”, in compliance with the provisions under the Law 76/2012;
- the form described below has resulted after the operation of the amendments in the old articles of incorporation, as they were proposed by the shareholder SIF Transilvania for AGEA on the date of 02.10.2020;

The following was decided:

The articles of incorporation of the joint-stock company

„ŞANTIERUL NAVAL ORŞOVA” S.A

As sole document

Chapter I – Name, form, head-office and duration of the company

Art. 1 – (1) The company's name is: „ŞANTIERUL NAVAL ORŞOVA” S.A AND WILL BE REFERRED TO IN THE PRESENT ARTICLES OF INCORPORATION AS „Company”. The logo of the company is the one attached to the present articles of incorporation. In all the documents, invoices, notices, publications and in other documents that the company issues, the company's name will be followed by the phrases „joint stock company” or by the initials „S.A.”, by the issued and paid up share capital, registration number at the trade register's office and year, tax code, head-office of the company.

(2) The company is registered in the Trade Register with the no. J25/150/1991 and has the TIN (C.U.I) sole registration number 1614734.

Art. 2 – The company is organized as a joint stock company and carries out their activity in compliance with the Romanian laws and provisions from the present articles of incorporation.

Art. 3 (1) The head office of the company is in Orşova, no. 4 Tufări street, Mehedinţi County, Romania and may be changed under the law provisions, through the amendment of the articles of incorporation.

(2) According to the needs and possibilities, the management board may constitute or dissolve branches, sub-offices, agencies, representations, as well as working points, both within the country and abroad, with observance of the legal requirements concerning the authorization and advertisement.

(3) For the realization of the company's scope of work, the company has a branch in Agigea, at the following address:

- Agigea Branch, the office in Constanţa-South Harbor Agigea SPL-E, Constanţa County

Art. 4 – The company has been established for an indefinite period.

Chapter II – Scope of work

Art. 5 – The company's scope is to carry out commercial activities specific to their scope of work and to obtain profit for the shareholders as an effect of the statutory activity.

Art. 6 – (1) Main field of activity is:

301 – Construction of ships and boats.

(2) The main activity of the company is:

3011 – Construction of ships and floating structures

(3) The company states as secondary activities, according to the NACE codification system:

2594 - Manufacture of fasteners and screw machine products

2599 - Manufacture of other fabricated metal products n.e.c.

2790 - Manufacture of other electrical equipment

2822 - Manufacture of lifting and handling equipment

2829 - Manufacture of other general-purpose machinery n.e.c.

2849 - Manufacture of other machine tools

3012 - Building of pleasure and sporting boats

3311 - Repair of fabricated metal products

3312 - Repair of machinery

3315 - Repair and maintenance of ships and boats

3320 - Installation of industrial machinery and equipment

3831 - Dismantling of wrecks

3832 - Recovery of sorted materials

4291 - Construction of water projects

4329 - Other construction installation

4399 - Other specialized construction activities n.e.c. G - Wholesale and retail trade; repair of motor vehicles and motorcycles

4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft

4669 - Wholesale of other machinery and equipment

4672 - Wholesale of metals and metal ores

4673 - Wholesale of wood, construction materials and sanitary equipment

4677 - Wholesale of waste and scrap

4690 - Non-specialized wholesale trade

4939 - Other passenger land transport n.e.c.

4941 - Freight transport by road

5010 - Sea and coastal passenger water transport

5020 - Sea and coastal freight water transport

5030 - Inland passenger water transport

5040 - Inland freight water transport

5210 - Warehousing and storage

5222 - Service activities incidental to water transportation

5224 - Cargo handling

5229 - Other transportation support activities

5610 - Restaurants and mobile food service activities

5629 - Other food service activities
6311 - Data processing, hosting and related activities
6820 - Renting and operating of own or leased real estate
6832 - Management of real estate on a fee or contract basis
7712 - Renting and leasing of trucks
7734 - Renting and leasing of water transport equipment
7739 - Renting and leasing of other machinery, equipment and tangible goods n.e.c.
8211 - Combined office administrative service activities
8219 - Photocopying, document preparation and other specialized office support activities
8299 - Other business support service activities n.e.c.
8532 - Technical and vocational secondary education
8559 - Other education n.e.c.
8621 - General medical practice activities

(4) The scope of work may be changed, amended, fulfilled, restricted, etc. through the decision of the management board, except for the main field and activity which may not be changed unless by the general extraordinary meeting of the shareholders' resolution.

Chapter III – Share capital and company's shares

Art. 7 – (1) The issued and paid up share capital is 28.557.297,50 lei, split into a number of 11.422.919 nominal and dematerialized shares, each valued to 2,50 lei.

Art. 8 – (1) The identification data of each shareholder, his contribution to the share capital, the number of own shares and participation share of the shareholder to the total amount of the share capital have been stipulated in the shareholder's registry log book kept by the registry company appointed by contract agreement to this scope.

(2) The share capital may be increased or reduced according to the resolution of the general extraordinary meeting of the shareholders or based on the decision by the management board, under the terms and with the procedure settled by the law.

Art. 9 – The company's shares are nominal, dematerialized, ordinary and indivisible. In the case when a nominal share becomes the ownership of several entities, they must appoint a sole representative for carrying out the rights resulting from the ownership of the mentioned share. The shares have equal value and grant the owners equal rights and obligations.

Art. 10 – (1) Any issued and paid up share entitles to a vote during the general meeting of the shareholders, the right to choose and be chosen in the management boards, the right to take part in the allotment of the benefits, as well as any other rights enacted by the law.

(2) The ownership of shares involves the rightful and with no reserve adhesion to the present articles of incorporation.

(3) The company's obligations have been guaranteed with the share capital and, generally, with the entire patrimony, and the shareholders are liable within the limit of the shares values' withhold.

(4) The rights and obligations related to the shares are according to the legal provisions, except for the rights and obligations formed within the patrimony of the shareholders previous to the transfer.

Art. 11 – (1) Each of the shareholders undertakes to notify directly the registry company on any amendment of the data registered in the records related to the company's shares, in compliance with the legal provisions, the failure to notify the respective amendments will cause their failure to be enforced to the company, shareholders and third parties.

Art. 12 – (1) The right of ownership exercised on the shares issued by the company will be sent according to the regulations concerning the transfer of the company's securities accepted during the transaction on a regulated market.

(2) Based on an A.G.A resolution the trading market will be exchanged, with the observance of the legal stipulations.

(3) The ownership right over the company's shares (whose shares are not traded on a regulated marker) will be sent through *inter vivos* documents, under the terms regulated by the company's Law. Through the documents type *mortis causa*, the ownership right over the shares issued by the company will be sent under the special law stipulations applicable to the sequence of natural entities reorganization of the legal entities, as appropriate.

Art. 13 – No shareholder, irrespective of the withhold share of participation is entitled to prioritize their own interests against the company's interests, thus their voting during the general shareholders' meetings as well as any other actions that they might take, they will be judged as being legitimate or illegitimate also according to the fulfillment of such fundamental obligation.

Art. 14 – It is against the law and against the present articles of incorporation, including against the company's priorities, to abusively use the position withhold by the shareholders or their position as managers or employees within the company to conduct illegal deeds or fraud aiming at prejudicing the rights concerning the securities or other fiscal instruments withhold as well as their damaging. The shareholders are obliged to exercise the rights offered by these securities in good faith, with observance of the rights and interests that are legitimate of the other shareholders and to the prevailing interest of the company, on the contrary, being susceptible to be held responsible for the prejudice brought.

Chapter IV – General meeting of the shareholders

Art. 15 – (1) The general meeting of the shareholders represents the supreme management body of the company deciding on its activity and settling and ensuring the economical and market politics. The meetings are ordinary and extraordinary.

(2) The attributions that the general ordinary and extraordinary meetings exerts are those stipulated by the Companies' Law. Whenever a resolution is adopted regarding an issue that had not been provided by the law as being in the ability of one of the two forms of the general meeting and does not result, after an analysis of the issue, that it would be related to the current inventory of the company, it will be considered that this should be dealt with by the general extraordinary meeting.

(3) For the validity of the decisions on behalf of the general ordinary meeting of the shareholders, upon the first calling, it is necessary that the shareholders that are present or their representatives should withhold at least half of the total number of the voting rights, and the decisions are validly taken by the majority of the votes expressed by the present shareholders or the representatives that had expressed their voting right.

(4) If the general ordinary meeting cannot be hold because of the failure to meet the terms stipulated under the line (3), the meeting to be gathered upon a second calling may decide on the points from the agenda of the first meeting, irrespective of the gathered quorum, by making decisions with the majority of the votes expressed.

(5) For the validity of the decisions made by the general extraordinary meeting of the shareholders, upon the first calling, it is necessary that the present shareholders or representatives should own at least half of the total number of the voting rights, and for a second calling it is necessary, for decision making, the presence of the shareholders that represent at least one third of the total number of the voting rights.

(6) The resolutions of the general extraordinary meeting will be decided with the majority of the votes expressed by the shareholders present or representatives, except for the cases in which the law imposes a larger quorum and majority.

Art. 16 – The general meeting, either ordinary or extraordinary, will be organized by the management board whenever necessary and upon the request of the rightful shareholders, according to the law, if their request comprises dispositions that are assigned to the meeting's tasks.

Art. 17 – (1) The content of the convener, its publication procedure, the presentation manner of the materials to be discussed during the meeting, the shareholders' rights and obligations to take part in the general meeting are regulated by the law.

(2) The works of the general meeting of the shareholders may take place upon the proposal of the managing board written in the meeting's convener, and at a different address than the one from the social head-office.

Chapter V – Managing Board

Art. 18 – (1) The company is managed, unitarily, by a Managing Board, management body, consisting of 5 members, temporary and revocable, natural and/or legal persons. The validity of the mandate for each manager has been settled by the resolution of the general ordinary meeting of the shareholders deciding on the managers, being restricted to a maximum of 4 years. The members of the managing board will choose within a president and a vice-president of the board.

(2) The managing board, through their president legally represents the company in the relationship with third parties and carries out their activity in compliance with the provisions from the present articles of incorporation and the working legislation.

(3) The managing board has full power in the decision making process related to stock and administration – according to the business principle – adopted for the realization of the company's scope of activity, besides those that the law enforces expressly on the general meeting of the shareholders.

Art. 19 – (1) The shareholders' rights and obligations concerning the management activity will be settled under the terms and limits of the law through a management contract agreement whose content will be approved by the A.G.O.A.

(2) The monthly remuneration of the members from the managing board is settled by the resolution of the general ordinary meeting of the shareholders for each fiscal year in part. The additional remuneration of the members from the managing board who belong to the consultative boards of the managing board will be settled to 10% out of the monthly remuneration for the named member, irrespective of the number of boards he is part of.

(3) Each member from the managing board must expressly accept the exertion of the mandate allotted and conclude professional civil liability insurance, within the limits settled by the General Meeting of the Shareholders. The insurance premiums will be paid by the company.

Art. 20 – (1) The managing board will gather once in 3 months at least, upon the calling from the president or vice-president of the board. The Managing board will be called up also upon the request of at least two of its members or by the general CEO, whenever such meeting is necessary, and the agenda is to be proposed by the authors of the request. The President or the Vice-president undertakes to answer to such requests.

(2) The calling upon in view of gathering of the Managing Board will be notified to the shareholders with 5 days prior to the date proposed for the meeting, at least.

The calling upon the meeting of the Managing Board will be sent to each member in written, by fax or email, to the fax or email addresses of the members from the Managing Board.

(3) The shareholders will exert their personal mandate with loyalty and to the best interest of the company. With exception, a shareholder may represent only one missing shareholder during the meetings of the board, according to a valid special power of attorney that had been drawn up only for a certain meeting of the managing board.

(4) The meetings of the managing board will be held to the company's head-office or in any other place indicated in the convener and will be ruled and presided by the head of the board, or, if he cannot attend it either physically or legally, by another administrator assigned by the president or selected within the meeting for this activity.

(5) The decisions of the managing board are valid if made in the presence of the simple majority of administrators in function, with the majority of votes of the present or represented members. In case of parity, the president's vote is decisive.

(6) The participation to the meetings of the managing board may take place also remotely, in teleconference, if two thirds of the number of shareholders consents to it. Within this meeting no decision may be adopted concerning the annual financial situations or the authorized capital.

(7) In extraordinary cases, reasoned by the emergency of the case and to the company's benefit, the decisions of the managing board may be taken through a unanimously expressed voting in written of the members, without being necessary the gathering of the respective body.

(8) The managing board may form consulting commissions that had been settled of at least two shareholders, assigned with the carrying out of investigations and with the drawing up of recommendations for the board. The settlement of the audit commission is mandatory.

(9) The managing board will be able to conclude legal documents on behalf and for the company, to acquire, dispose, exchange or settle in guarantee, assets whose value would not exceed, individually or cumulatively, 20% out of the total amount of intangible assets, minus the receivables, for one fiscal year.

(10) The shareholders are entitled to have the company discount them with all the expenses coming from the traveling to and participation to any of the meetings of the managing board, as well as for any activity to any of activities related to the inventory and management of the company.

The amount of the discounted sums will be settled in the managing contract agreement.

Art. 21 – (1) The members of the managing board may be revoked at anytime by the general meeting of the shareholders for reasoned causes. The following represents a just reason for revoking:

- i. any action or inaction through which they willingly infringe (out of their own fault or with intention) any of the obligations undertaken and/or assigned to them in thus position according to the law, resolutions of the general meetings and the articles of incorporation;**
- ii. the failure to fulfill the objects settled by the General Meeting of the Shareholders, especially of the provisions from the income and expenses budget;**
- iii. the A.G.A resolution for reorganization/restructuring of the statutory bodies of the company's management, through the amendment of the number of members from the Managing Board or of the administration;**
- iv. the amendment of the shareholding structure in the sense of reducing the participation of one of the shareholders (through the partial or complete sale of the owned share package, increase of share capital, fusions, divisions, etc.).**
- v. revoking the shareholders in function who had not been reconfirmed by cumulating votes in the new managing board.**

(2) In case of vacancy in a position or several positions of shareholders, the others deliberating upon, will proceed with absolute majority to the appointment of a temporary shareholder, until the calling of the general meeting.

(3) if the vacancy provided under the line (1) will bring the decrease in the number of shareholders, under the legal minimum number, then the shareholders still in function will call at once the A.G.A in order to fulfill the number of members in the managing board.

Chapter VI – Company's managers

Art. 22 – (1) The managing board will appoint the managing attributions of the company, part-wise to one or several directors, appointed from the shareholders' or outside the managing board, by appointing one of them as general manager. The relationships between the manager/managers and the company will be governed by the mandate contract, signed on behalf of the company by one shareholder appointed to this scope by the managing board.

(2) The manager/managers' mandate contract will be concluded for a period of up to 4 years. The general manager is responsible for taking all the necessary measures in order to manage the company, within the limits of its scope of work and with observation of the exclusive capabilities provided by the law or by the articles of incorporation of the managing board and of the general meeting.

(3) The limits of the monthly remuneration of the manager/managers will be settled between 5 and 11 average raw salaries realized per company, during the previous fiscal year.

(4) The powers, rights (including the remuneration (and the responsibilities of the manager/managers have been provided in the mandate contract concluded with the company according to line (1).

(5) Each manager must conclude professional liability insurance. The insurance premiums will be borne by the company.

Chapter VII – Company's control

Art. 23 – (1) The company will organize the internal audit activity, according to the legal working provisions, by contracting the services of a natural or legal auditor, as suited.

(2) The internal auditor is obliged to take part in the meetings of the managing board and to notify them the faults in the administration and the infringement of the legal provisions and of the provisions from the articles of incorporation that he detects, and the more important cases will be notified during the general meeting. Likewise, this authority undertakes to carry out unannounced and thematic controls concerning any of the activities and departments of the company, informing operatively the shareholders on the findings made and proposing the measures imposed in order to remove the deficiencies and to improve the specific activity.

Art. 24 – (1) The fiscal situations undergo audit.

(2) The operations provided by the previous paragraph will be carried out by a statutory auditor, natural or legal entity, member of the Chamber of Financial Auditors in Romania, appointed by the general ordinary meeting of the shareholders, auditor with whom a services contract will be concluded, the remuneration and validity of the contract being settled by the A.G.A. His activity will carry out in compliance with the legal working provisions and with the specific professional norms.

Chapter VIII – Company's activity

Art. 25 – (1) The company, through the care of the shareholders and of the managers undertakes to keep an up to date situation of all categories of registers as well as the other records provided by the law.

(2) The economical and fiscal year begins on the 1st of January and ends on the 31st of December each year. The first economical-financial year will start on the date of the company's establishment.

Art. 26 – The shareholders undertake that, within 15 days since the date of the general meeting, must submit a copy of the annual fiscal statuses, accompanied by their report and the report from the statutory auditor, as well as

by the report of the general meeting, to the Trade Register's Office, The Ministry of Public Finances and the other institutions, according to the law provisions.

Art. 27 – the conclusion of the individual contract agreement and the waging will be made according to the working legislation and in compliance with the collective work contract agreement. The payment of the salaries, the taxes for them and the insurance share will be settled according to the law.

Art. 28 – The rights and obligations of the employees are settled in the individual contract agreement, in the organization and functional norms of the company and in the collective work contract agreement, approved by the managing board.

Chapter IX – Fusion, division, dissolution, liquidation, litigations

Art. 29 – The reorganization of the company through the fusion or division or through its transmuting into another type of company will be approved by the general extraordinary meeting of the shareholders under the terms and with the observance of the legal working provisions upon the date of the approval.

Art. 30 – The dissolution and liquidation of the company is made in the cases and according to the procedure provided by the law.

Art. 31 – (1) The possible litigations arising between the shareholders concerning the conclusion, interpretation or execution of the present articles of incorporation will be solved amiably. In the case of litigations that cannot be solved amiably, they will be transferred to the court of trials in Romania.

(2) The company's litigations with third parties and/or with their own employees, will be dealt with according to the working legal provisions.

Chapter X – Final dispositions

Art. 32 – (1) The provisions of the present articles of incorporation may be amended by the general extraordinary meeting of the shareholders and/or of the managing board, according to certain special power of attorneys with observance of the legal provisions and of the form and publicity terms provided by the law.

(2) The provisions of the present articles of incorporation will be fulfilled with the legal provisions that are working concerning the companies and with those regarding the companies whose tangible assets are accepted for trading on regulated markets.

(3) The present articles of incorporation will take effect upon the date of its conclusion and submission to the Trade Register's Office next to the Court of Mehedinți, date to which the old articles of incorporation and addendums for amendment will lose their validity.

THE COMPANY'S LOGO:

LOGO

SANTIERUL NAVAL ORSOVA SA

GENERAL MANAGER

Eng. Mircea Sperdea

The undersigned Fonea Cristina, certified translator and interpreter for English and French, based on the Authorization no. 24740 from 31.03.2009, issued by the Ministry of Justice in Romania, I certify that this is a true and accurate translation of the document submitted to me which has been carried out without prejudicing its content or meaning.....

CERTIFIED TRANSLATOR AND INTERPRETER, FONEA CRISTINA

