



ȘANTIERUL NAVAL ORȘOVA S.A.
Nr. RC J25/150/1991 CIF: RO 1614734
Capital social: - subscris 28.557.297,5 lei
- varsat 28.557.297,5 lei
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CLARIFICATION
on the application of the cumulative voting method,
at the OGMS meeting of 28.12.2021, for the election of the Board of Directors

The board of directors of SANTIERUL NAVAL ORȘOVA S.A. responded to the request of SIF Transilvania, a shareholder holding 49.9998% of the company's share capital, to convene the Ordinary General Meeting of Shareholders (OGMS), a meeting which has as its agenda item: **Election of the members of the Board of Directors for a term for 4 years, with the application of the cumulative voting method.**

For the shareholders wishing to vote at the OGMS convened for December 28, 2021, the candidates for the position of director, registered on the list, in full knowledge of the facts, have been prepared these specifications containing legal provisions extracted from the normative acts governing the cumulative voting method for election of the board of directors, respectively Law no. 24/2017 and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations.

Therefore,

The members of the board of directors of issuers whose shares are admitted to trading on a regulated market may be elected by the cumulative voting method. At the request of a significant shareholder, the choice based on this method is mandatory.

The administration of an issuer to which the cumulative voting method is applied is performed by a board of directors consisting of at least 5 members. No provision of the articles of incorporation of issuers whose shares are admitted to trading on a regulated market may cancel, modify or restrict the right of shareholders to request and obtain the application of the cumulative voting method. Any provision of the articles of association that has as purpose or effect the restriction of the shareholders' right to request, in accordance with the law, the application of the cumulative voting method for the appointment of directors, are considered unwritten.

By the cumulative voting method, each shareholder has the right to assign his cumulative votes to one or more persons proposed to be elected to the board of directors. The cumulative votes are calculated by multiplying the votes held by any shareholder, according to the participation in the share capital, with the number of directors to form the board of directors.

The directors in office until the date of the general meeting are registered by right on the list of candidates for election to the new board of directors, by the method of cumulative voting.

The application of the cumulative voting method involves the election of the entire board of directors, consisting of at least 5 members, within the same GMS.

The directors in office at the date of the general meeting who are not reconfirmed by cumulative vote in the new board of directors are considered revoked, their term of office ceasing as a consequence. In exercising the cumulative vote, the shareholders may grant all the cumulative votes to a single candidate or to several candidates.

Next to each candidate, the shareholders mention the number of votes cast. If a shareholder uses a SPECIAL POWER OF EMERGENCY model or CORRESPONDING VOTE and fails to specify the allocation of cumulative votes, they will be distributed equally by the representative (authorized person), respectively by the secretaries of the GMS (in case of voting by correspondence), to the candidates for whom the shareholder voted “for”.

The number of cumulative votes to which each shareholder is entitled is entered in a receipt received at the entrance to the hall or, as the case may be, sent to the shareholder at his request, provided that he wishes to vote by mail, to be attached to the ballot, in final form. At the GMS, the number of accumulated votes can be entered directly on the ballot paper, in final form, distributed to each shareholder. The

number of votes cast by a shareholder on the ballot paper may not be higher than the number of accumulated votes of the respective shareholder, under the sanction of cancellation of the ballot paper.

The persons who have obtained the most accumulated votes at the general meeting of shareholders are declared elected as members of the board of directors of the respective issuer whose shares are admitted to trading on a regulated market. If two or more persons proposed to be elected as members of the board of directors obtain the same number of cumulative votes, the person who has been voted by a larger number of shareholders shall be declared elected as a member of the board of directors.

The criteria for electing the members of the board of directors in case two or more proposed persons obtain the same number of cumulative votes, expressed by the same number of shareholders, are established by the GMS, according to the proposals on the agenda of the convening notice. in its minutes.

The minutes of the GMS, signed by the chairman and secretary, state the fulfillment of the formalities regarding the application of the cumulative voting method, respectively the date and place of the meeting, the number of present shareholders and the number of related shares, the number of shares for which valid votes were cast and the proportion from the share capital representing the respective votes, the total number of validly expressed votes and their allocation, the debates in summary, the decisions taken, and at the request of the shareholders, the statements made by them in the meeting. The documents relating to the application of the cumulative voting method shall be annexed to the minutes.

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Exemplary model for electing the board of directors / supervisory board of an issuer whose shares are admitted to trading on a regulated market by the cumulative voting method

1. An issuer has a subscribed and paid-in share capital of 1,000 p.m. divided into 1,000 shares with a par value of 1 p.m. The shareholders' participation in the share capital of this issuer is the following:

- Shareholder 1	550 shares representing 55% of the share capital
- Shareholder 2	150 shares representing 15% of the share capital
- Shareholder 3	100 shares representing 10% of the share capital
- Shareholder 4	100 shares representing 10% of the share capital
- Shareholder 5	100 shares representing 10% of the share capital

2. In accordance with the provisions of the issuer's articles of association, each paid-up share entitles the holder to one vote in the GMS. 3. The issuer will be managed by a board of directors / supervisory board consisting of 5 members, who will be elected by the method of cumulative voting at the request of the Shareholder. 4. The volume of accumulated votes for each shareholder is as follows:

- Shareholder 1	2,750 cumulative votes (550 * 5)
- Shareholder 2	750 votes cast (150 * 5)
- Shareholder 3	500 cumulative votes (100 * 5)

- Shareholder 4	500 cumulative votes (100 * 5)
- Shareholder 5	500 cumulative votes (100 * 5)

5. Within the GMS, the cumulative votes on the election of the board of directors / supervisory board were granted as follows:

	<i>Pers 1</i>	<i>Pers. 2</i>	<i>Pers. 3</i>	<i>Pers. 4</i>	<i>Pers. 5</i>	<i>Pers. 6</i>	<i>Pers. 7</i>	<i>TOTAL</i>
- Shareholder 1	751	751	751	497				2.750
- Shareholder 2					750			750
- Shareholder 3					500			500
- Shareholder 4						350	150	500
- Shareholder 5					250	147	103	500
TOTAL	751	751	751	497	1.500	497	253	5.000

6.As a result of this vote, the following were elected as members of the board of directors / supervisory board:

Pers. 5 which obtained a total of 1,500 votes

Pers. 1 which obtained a total of 751 votes

Pers. 2 which obtained a total of 751 votes

Pers. 3 which obtained a total of 751 votes

Pers. 6 which obtained a total of 497 cumulative votes, but was voted by 2 shareholders