

## **SUPPORTING NOTES ITEMS EGMS AGENDA**

### **1. The election of the secretary of the meeting of the Extraordinary General Meeting of Shareholders from among the present shareholders.**

Pursuant to art. 129 para. 2 of Law 31/1990 on Companies, the General Assembly will choose from the present shareholders, 1 to 3 secretaries, who will check the list of shareholders, indicating the share capital that each represents, the minutes prepared by the technical secretariat to ascertain the number the actions submitted and the fulfillment of all the formalities required by law and by the constitutive act for holding the general assembly.

### **2. Approval of contracting investment loans, credit lines, leasing assignment, letters of guarantee or other financial banking products, to a maximum cumulative total of 40 million euro for the year 2021 and establishing security interests related to movable and immovable property owned by the Company.**

### **3. Delegation of the Board of Directors by the Extraordinary General Meeting of Shareholders from de date of this decision until the next Extraordinary General Meeting in April 2022 to commit investment loans, credit lines, leasing assignments, letters of guarantee and other financial banking products, within the maximum cumulative total of 40 million euro for the year 2021 approved at point 2, as well as to constitute movable and immovable guarantees related to assets of the company's patrimony.**

### **4. The empowerment of legal representatives to represent the Company when negotiating and signing of credit contracts, guarantee contracts and any other documents needed in order to comply with the decisions stipulated in paragraphs 2 and 3.**

## **CREDIT LIMIT**

**resources attracted for the financing of the Investment Program and the working capital related to the accounting financial year 2021**

In order to achieve the Investment Program adopted for the period 2019-2021 (period in which the highest expenditures were recorded in the last 10 years) but also to finance the working capital necessary to ensure financial resources for the operation of the company, the approval of a maximum ceiling is required. credit of 40 million Euros, representing the total level of loans from banks.

This credit ceiling covers both the investment loans already committed for 2019 (to be repaid in a period of 5 years starting with Quarter I 2021), and the credit lines that are renewed annually with each financing bank.

We emphasize that the 40 million Euros are not new loans to be contracted additionally, but are the maximum level of loans already contracted for investments and extended credit lines every year.

We mention that in the last 2 years the value of the registered investment expenses was of:

- 91.8 million lei in 2019
- 89.3 million lei in 2020

Investment loans totaling 15 million Euros contracted with the 2 banks (BRD Groupe Societe Generale and ING Bank), supplemented COMPA's own financing resources, resources prevented from the profit carried forward to own development sources and from the amortization included in the price of products delivered to customers. To guarantee these contracted loans, COMPA presented to the financing banks a package of guarantees, consisting of:

- Mortgage of some buildings
- Pledge on purchased machines and equipment
- Disposals of loans that COMPA has receivable from customers

At the same time, we propose the approval of the delegation of the Board of Directors by the Extraordinary General Meeting of Shareholders for committing these loans for investments, credit lines and leasing within the cumulative total ceiling of EUR 40 million for 2021 and on until the next Extraordinary General Meeting from 2022, as well as the establishment of movable and immovable guarantees related to assets from the company's patrimony and the empowerment of the General Manager and the Economic Director to represent the company when negotiating and signing credit agreements, guarantees and any other documents required by financing institutions.

**5. Delegation of the Board of Directors by the General Extraordinary Meeting of Shareholders for appointing the company's legal representative of Compa S.A. in relation to the Management Authority/funding authorities and to empower the person / persons designated to sign in the name and on behalf the Company, the financing contracts for projects to be carried out starting in 2021 and onwards until the next E.G.M. from April 2022.**

The company COMPA S.A. continues to carry out a series of projects financed from European funds.

One of the requirements for signing the financing contracts is the empowerment by the EGM of the person designated for this.

Usually, the deadline for signing contracts is very short, there is no time for convening the EGMS to decide on the power of attorney to sign contracts / financing documents.

The Board of Directors submits for approval by the Extraordinary General Meeting of Shareholders for designating COMPA SA Sibiu's legal representative in relation to the Management Authority/

Funding Authorities (*Program Operațional Capital Uman - POCU, Program Operațional Competitivitate - POC, Program Operațional Regional - POR, Programul Operațional Infrastructura Mare - POIM, Innovation Norway, etc.*) and empowerment of the person / persons designated to sign the contracts for financing the approved projects to be carried out starting with 2021.

- 6. The empowerment of the Chairman of the Board of Directors of the Company to sign, in the name and on behalf of the Company, the management contracts to be concluded by the Company with the members of the Board elected in accordance with point 7 of the OGMS for carrying out their activity as members of the Board of Directors, and the Vicepresident of the Board of Directors to sign the administration contract that will be concluded in the name and on behalf of the Company with the Chairman of the Board of Directors.**

In the exercise of the administrator mandate by the members elected for the position of administrator, it is necessary to sign the management contract between Compa S.A. and each elected administrator. In this sense, the approval of the Chairman of the Company's Board of Directors is submitted for approval, to sign, in the name and on behalf of the Company, the management contracts to be concluded by the Company with the directors elected according to item 7 of the OGMS agenda. as members of the Board of Directors and the power of attorney of the Vice President elected to sign the administration contract to be concluded in the name and on behalf of the Company with the Chairman of the Board of Directors.

- 7. Establishing the duration of the financial audit contract for one year, starting with the date of this GMS decision and mandating the persons empowered to sign in the name and on behalf of the Company, the contract with the financial auditor, appointed according to OGMS decision number 9.**

In accordance with the decision on item 9 of the OGMS agenda, the financial auditor will be appointed to prepare the statutory audit for 2021.

It is proposed that the duration of the contract with the financial auditor be one year, starting from the date of adoption of the decision on this item on the agenda.

The Board of Directors proposes to authorize the CEO and the CFO to sign the audit contract.

- 8. Approval of the amendment of the articles of association of Compa S.A. by eliminating from point VIII the General Meeting of Shareholders the attributions of the Ordinary General Meeting provided at point 1 letter. g, h, i, j, thus the amended text of point 1 of the Ordinary General Meeting will have the following content:**

*The Ordinary general meeting meets at least once a year, within 5 months at the end of the financial year.*

*(1) In addition to debating other issues on the agenda, the general meeting is required:*

- a) to discuss, approve or amend the annual financial statements, based on the reports of the directors, auditors or financial auditors and to fix the dividend;*
- b) to elect and revoke administrators and censors;*
- c) to fix the remuneration due for the current year to the administrators and auditors;*
- d) to decide on the management of the administrators;*
- e) to establish the revenue and expenditure budget and the work program for the following financial year;*
- f) decide to pledge, lease or dissolve one or more units of the company.*

The Board of Directors proposes the modification of the Articles of Association of the Company by eliminating from point VIII the **General Meeting of Shareholders** the attributions of the Ordinary General Meeting provided at **point 1 letter. g, h, i, j**. Specifically, it is about the following attributions for which the elimination is proposed:

- g) to decide on the contracting of long-term bank loans and those that exceed 1/3 of the company's share capital;
- h) to establish the annual volume of investments and the main investment objectives;
- i) to decide on the modalities of amortization and decommissioning of fixed assets;
- j) to decide in accordance with the law, on any other issues regarding the company, except for those within the competence of the extraordinary general meeting.

These attributions of the OGMS are no longer adapted to the legal provisions in force and to the complex activity of the company, reason for which they are proposed to be eliminated.

**Regarding the attribution from letter g)**, the provisions of art. Article 90 para. 1 of Law 24/2017 on issuers of financial instruments and market operations, establish clear limits regarding the competence of the EGMS and CA, as follows: Acts of acquisition, alienation, exchange or guarantee of assets in the category of fixed assets of the issuer, whose value exceeds, individually or cumulatively, during a financial year, 20% of total fixed assets, less receivables, are concluded by the directors or directors of the issuer only after prior approval by the extraordinary general meeting of shareholders.

In fact, the approval of the credit contracting and the ceiling limits represent every year, in April, one of the items on the EGMS Compa agenda. Thus, it is no longer justified to keep the OGMS attribution provided in let. g.

**Regarding the attribution from letter h)** according to art. 111 para. 2 lit. e of Law 31/1990 on Companies, the OGMS has the obligation to establish the budget of revenues and expenditures, and as the case may be, the activity program, for the next financial year. The budget of revenues and expenditures is approved annually by the OGMS for the next financial year. It also includes the annual volume and the main investment objectives, so that by eliminating the OGMS attribution from letter h), the OGMS also remains obliged to rule on these issues based on the attribution from letter e) from art. 111 para. 2 Law 31/1990 and point VIII (1) letter e) from the Articles of Association of the Company.

**Regarding the attribution from letter i)** according to art. 19 of Law 15/1994 on the depreciation of fixed assets in tangible and intangible assets is established as follows: The powers to approve the use of the straight-line or degressive depreciation regime belong to the board of directors of the economic agent. The use of the accelerated depreciation regime is approved by the general directorate of public finances and state financial control, at the proposal of the board of directors of the economic agent or of the person in charge of the patrimony management. We also mention that art. 21 of Law 15/1994 on the depreciation of fixed assets in tangible and intangible assets establishes as follows: the decommissioning of fixed assets is done with the approval of the board of directors of the economic agent

Therefore, there are express legal provisions regarding the competence regarding the amortization and decommissioning procedures, according to which the OGMS is not competent to decide in this respect, but the Board of Directors, reason for which the provision from the articles of association is no longer actual.

**Regarding the attribution from letter j)**, we emphasize that such a provision would unnecessarily complicate the activity and the decisions of the Company, which could lead to real blockages. This attribution implies that for any issues regarding the Company, except those that are within the competence of the EGMS, the Ordinary General Meeting of Shareholders should be convened. Compa is a Company that has appointed a Board of Directors that has attributions established both in the articles of incorporation and in the legislation applicable to commercial companies in various fields. Also, the management of the Company is delegated by the Board of Directors to executive managers, who in turn have competencies and attributions. It is therefore not appropriate *for any other issues regarding the company* to fall under the OGMS.

**9. Approval for the empowerment of the Chairman of the Board of Directors to sign in the name and on behalf of the Company the additional act and the updated of the articles of association of the Company.**

The Board of Directors proposes to authorize the Chairman of the Board of Directors to sign in the name and on behalf of the Company the additional act and the updated articles of incorporation of the Company.

**10. Approval of the establishment of a secondary office - working point at the address from Sibiu, Bd. Victoriei no. 42-44, Jud. Sbiu. for the affiliated company ARINI HOSPITALITY S.R.L., company having its registered office in Sibiu, str. Henri Coanda no. 8, Jud. Sibiu, registered at the Registry Office attached to the Sibiu Tribunal under no. J / 77 / 19.01.2021, having a unique registration code no. 43581594.**

The affiliated company ARINI Hospitality SRL, having as sole partner Compa S.A. was established on 19.01.2021 following the EGMS decisions no. 1, 2, 3 and 4 of 12.11.2020. The registered office of the



company, according to the EGMS decision 1 / 12.11.2020 was established at the address in Sibiu, str. Henri Coanda no. 8, where the headquarters of Compa S.A. are also located.

Following the contribution in kind brought by Compa S.A. within the share capital Arini Hospitality SRL, the affiliated company acquired the property right over the real estate registered in the land book 131805 Sibiu composed of land category construction yards under A1, no. cadastral 131805 with an area of 7591 sqm with constructions under A1.1 no. cadastral 131805-C1 administrative building Ug + Gf + 2F + At, building located administratively in Sibiu. Bd. Victoriei 42-44.

It is proposed to set up a secondary office at this address in order to be able to carry out activities at this office, in accordance with the object of activity of the company.

It is reminded that this company has as main object of activity Hotels and other similar accommodation facilities, CAEN code 5510 and was established in response to the need imposed by the market, to diversify the activity of Compa SA. Mercure - ibis Styles from the Accor Group chain, comprising a 4-star Mercure hotel and a 3-star ibis Styles hotel. For details on this project please check the Supporting Notes for points 1-9 of the EGMS of 12.11.2020 at [http://compa.ro/wp-content/uploads/2020/10/EGMS\\_Note-points-1-9.pdf](http://compa.ro/wp-content/uploads/2020/10/EGMS_Note-points-1-9.pdf)

**11. Approval of May 18th, 2021 as the Registration Date for the shareholders identification falling under the consequences of the General Ordinary Meeting of Shareholders, due to the provisions in Art.86(1), Law 24/2017 on issuers of financial instruments and market operations and approval of May 17th, 2021 as ex-date, according to Art. 176(1) from FSA Regulation no.5 / 2018.**

According to art.2 par. 2 lit. f of the FSA Regulation no. 5/2018 The registration date is the calendar date established by the General Meeting of Shareholders, which serves to identify the shareholders who will benefit from dividends or other rights on which the effects of the GMS decisions are reflected. This date will be later than at least 10 working days from the GMS date, according to art. 86 para. 1 of Law no. 24/2017.

According to art. 2 para. 2 lit. 1 of the FSA Regulation no. 5/2018 Ex date is the date prior to the registration date with a settlement cycle minus one working day, from which the financial instruments subject to the decisions of the company bodies are traded without the rights deriving from the respective decision.

Proposal of the Board of Directors of COMPA S.A. Sibiu as the registration date of the Extraordinary General Meeting of Shareholders dated 18.05.2021 and the ex-date 17.05.2021.

**12. Empowering of individuals that will perform the publication and recording formalities of the GMS session decisions, including their signing.**

The COMPA Board of Directors proposes to mandate **Mister Ioan Deac Chairman of the Board / CEO** and **Mister Ioan Miclea Member in the Board of Director/ CFO** to conclude and / or sign, on behalf of the company and / or shareholders. any documents, forms and requests adopted / drawn up for the purpose or for the execution of decisions, in relation to any natural or legal person, private or public, to carry out all legal formalities for registration, publicity, opposability, execution and publication of adopted decisions.

The Board of Directors of COMPA proposes the empowerment of Ms. Mihaela Grobnicu and Ms. Sabina Pîrvu, in order to carry out all the legal formalities for registration, publicity, opposability, execution and publication of the adopted decisions.

Sibiu, March 19<sup>th</sup>, 2021

**Board of Directors, through**  
**Chairman & CEO,**  
Ioan DEAC

**Administrator & CFO,**  
Ioan MICLEA