

INFORMATION ON THE AGENDA
OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF
THE COMPANY MECANICA FINA SA
CONVOKED FOR 27th OF JULY 2016

1. With regard to items 1 and 2 contained by the agenda of the extraordinary general meeting of shareholders of the company Mecanica Fina SA.

One of the branches of the company Mecanica Fina SA, i.e. the company ITAGRA SA, Romanian judicial person headquartered in Boranesti, C 15 Office, IALOMITA County, sole registration code 18792370 and registration number within Register of Companies J21/316/2006, a company working within the field of agriculture, proposes, based on the financial statements of the year 2015 made by the Sole Managing Director of the company and starting from the necessity of providing a working capital intended to be used for acquiring of agricultural fields and / or majority participations within companies working within the field of agriculture, as solid basis for the company's development, the issuance of a number of 1.000 bonds, having a nominal value of 5.000 lei, totally amounting to 5.000.000 lei, having a maturity of 5 years, an yearly interest of 6,1 % and quarterly payment of the interest.

There are made the following proposals:

- the issued bonds are guaranteed by means of a real estate / some real estate owned by the majority shareholder of the company ITAGRA SA, the company MECANICA FINA SA, real estate having a value of 1,5 - 2 million Euro established on the basis of an evaluation report; the real estate is free of any encumbrances;
- the bonds shall be issued and intermediated by means of SSIF BRK FINANCIAL GROUP SA, Romanian judicial person headquartered in Municipality of Cluj – Napoca, 119 Motilor Str. 119, sole registration code 6738423 and registration number within Register of Companies J12/3038/1994;
- the bonds issue is subject of a private placement addressed to a number of maximum 150 investors;
- subsequent to subscription, the bonds issue is listed on the regulated market administered by Bursa de Valori Bucuresti SA (BVB).

Taking into consideration this situation, the Board of Directors convoked the extraordinary general meeting of shareholders for the date of 27th of July, 10.00 o'clock, having the following agenda:

- The approval of guaranteeing a bonds issuance having a maximum value of 5.000.000 lei; the bonds shall be dematerialized, nominative, guaranteed, non-convertible and may be transacted on the ATS market operated by Bursa de Valori Bucuresti, for the company ITAGRA SA headquartered in Boranesti – Ialomita, ORC J21/316/2006; CUI 18792370, in which the company MECANICA FINA SA holds a capital participation of 99,992%.
- The empowering of the president of the Board of Directors – General Manager of the company MECANICA FINA SA for signing all required documents for guaranteeing the issuance of the bonds issued by ITAGRA SA and for representing the company within the general meeting of the shareholders of the company ITAGRA SA who shall approve the issuance of the respective bonds.

We propose the shareholders of the company the guaranteeing of the bonds issuance to be made by the company ITAGRA SA suing the real estate - Lot 6 consisting in plot of land and constructions located in Bucharest, district 2, 5-25 Popa Lazar Street, owned by MECANICA FINA SA and registered within Land Registry Book of Municipality of Bucharest – District 2 under number 208302, having the cadastral number 208302 for the plot of land and 208302 – C1 for constructions.

We indicate the fact that there shall be convoked also the extraordinary general meeting of shareholders of the company Itagra SA having the following agenda:

1. – The approval of the issuance of bonds having a maximum value of 5.000.000 lei; the bonds shall be dematerialized, nominative, guaranteed, non-convertible and may be transacted on ATS market operated by Bursa de Valori Bucuresti; the bonds issuance shall have the following characteristics:

- Maturity 5 years, without the possibility of anticipated redemption
- Use of collected funds: acquisition of agricultural plots of land for the purpose of developing the company's activity
- Interest rate - 6,1% per year
- Guaranteeing of the full payment of the principal and corresponding interests of the bonds issuance to be made using a real estate owned by the company MECANICA FINA SA, majority shareholder of the company. The constituting of guarantees shall be made on the basis of the Guaranteeing Agreement concluded between ITAGRA S.A. and MECANICA FINA SA for guaranteeing the bonds.
- Coupon payment: quarterly frequency
- Principal payment: on due date
- Nominal value of a bond: 5.000 lei
- Placement type: private.

2. The empowering of the sole managing director for signing all necessary documents for issuing and guaranteeing the bonds, in relation to any other public or private entity.

3. Approval of the entry date for identifying the shareholders benefiting from the effects of the Extraordinary General Meeting of Shareholders, according to Law 31/1990.

4. Approval of empowering Mr. Mollo Sergio, personal number 7560818400017 – sole managing director of the company for performing all procedures and formalities provided by the Law for the purpose of fulfilling the decisions of the Meeting, for submitting and taking over documents and for signing for this purpose on behalf of the Company, with any public or private entities. The appointed attorney-in-fact may delegate the granted powers according to above information to any person at his choice.

From the grounding note prepared by the sole managing director of the company Itagra SA it results that:

- Currently, the Company exploits plots of land having a total area of 1462 hectares including 252 owned hectares and 92 hectares are held in possession based on some bilateral promising contracts of sale and the difference is held based on lease agreements.
- The yearly yield of agricultural exploitations managed by the company is structured as follows:

Consumption of autumn wheat for an average production of 6800 kg/ha –	21%
Consumption of corn beans for an average production of 9300 kg/ha –	14%
Rape oil for an average production of 3950 kg/ha –	19%
Consumption of sunflower for an average production of 2200 kg/ha –	12%.
- For exploiting the held plots of land, the company disposes of the technical – materials basis consisting in high performance equipment purchased both from own sources as well as using European financing within some projects of previous years (SAPARD Program and FEADR Program).
- On 31st of December 2015, the financial situation of the company was:

TANGIBLE ASSETS	9.452.117
FINANCIAL ASSERS	-
TOTAL FIXED ASSETS	9.452.117
STOCKS	4.094.104
RECEIVABLES	2.408.981
SHORT TERM FINANCIAL INVESTMENTS	-
CASH AND BANK ACCOUNTS	530.819
TOTAL CIRCULATING ASSETS	7.033.904
ADVANCE PAYMENTS	332015
TOTAL ASSETS	16.818.036
SHORT TERM DEBTS	4.406.953
LONG TERM DEBTS	2.677.933
PROVISIONS	-
ADVANCED INCOME	553.522
SHARE CAPITAL	4.900.000
CAPITAL PREMIUMS	-
RESERVES FROM REEVALUATION	103.355
OTHER RESERVES	2.276.707
PROFIT/LOSS	1.902.954
PROFIT DISTRIBUTION	3.388
OWN CAPITAL	9.179.628
TOTAL LIABILITIES	16.818.036
TURNOVER	8.034.753
OPERATING INCOME	9.424.306
FINANCIAL INCOME	114.670
TOTAL INCOME	9.538.976
OPERATING EXPENSES	7.093.938
FINANCIAL EXPENSES	507.489
TOTAL EXPENSES	7.601.427
GROSS RESULT	1.937.549

- Currently, there is the opportunity of purchasing new plots of land adequate for the following crops: wheat, sunflower, barley, soya, pea (crops having a yearly potential average yield of more than 15 %) bur also of purchasing majority participations in companies working within the field of agriculture.
- The agricultural areas to be purchased have an approximate average price of 4.500 euro/hectare, belonging to the average prices asked for the market of plots of land to be used for agricultural exploitation. Taking also into consideration the evolution of the real estate market on the segment of agricultural land, we estimate that within the next period of time their price shall be subject to an ascendant trend and therefore making acquisitions in this year is oportune.

Taking into consideration the above information, we request the vote of the extraordinary general meeting of shareholders for:

1. *The approval of guaranteeing the issuance of bonds having a maximum value of 5.000.000 lei; the bonds are dematerialized, nominative, guaranteed, non-convertible and may be transacted on ATS market operated by Bursa de Valori Bucuresti; the issuance shall be made by the company ITAGRA SA headquartered in Boranesti – Ialomita, ORC J21/316/2006; CUI 18792370, in which the company MECANICA FINA SA holds a capital participation of 99,992%; the guarantee shall consist in the real estate - Lot 6 consisting in plot of land and constructions, located in Bucharest, district 2, 5-25 Popa Lazar Str. 5-25, owned by MECANICA FINA SA and registered within Land Registry Book of Municipality of Bucharest – District 2 under number 208302 with cadastral number 208302 for the plot of land and 208302 – C1 for constructions.*
2. *The empowering of the president of Board of Directors – General Manager of the company MECANICA FINA SA for the purpose of signing all necessary documents for guaranteeing the issuance of bonds of ITAGRA SA and for representing the company within the general meeting of the shareholders of the company ITAGRA SA which shall approve the issuance of bonds.*
3. *The approval of the President of Board of Directors – General Manager of the company for performing all procedures and formalities provided by the Law for fulfilling the decisions of the Meeting, for submitting and taking over documents and for signing for this purpose on behalf of the Company, in relation to the Register of Companies, ASF, BVB as well as with the possibility of delegating the granted powers to any other persons, at his choice.*

2. *With regard to item 3 contained by the agenda of the extraordinary general meeting of shareholders of the company Mecanica Fina SA.*

The management of the company proposes the company's shareholders the analysis of the opportunities related to extending the business of the company Mecanica Fina SA outside Romania.

For this purpose, we propose the establishing of a branch of the company Mecanica Fina in Switzerland acting within the field of real estate development and transactions.

Taking into consideration the fact that one of the managing directors of the company Mecanica Fina SA, i.e. Miss Mollo Simona, member of the Board of Directors, has the domicile in Switzerland and is acquainted with the judicial regime in this country with regard to the business legislation and corresponding fiscal legislation, we propose her empowering for the purpose of performing all required procedures and signing, in the name and on behalf of the company, all documents required for establishing the branch.

Based on the mandate she shall receive, in case of approving the establishing of a branch of the company Mecanica Fina in Switzerland, Miss Mollo Simona must know every details of the Swiss legislation within this field and accordingly must take all measures required for establishing the branch. The concrete contents of the mandate shall be established by means of the decision regarding the approval of a branch of the company Mecanica Fina SA in Switzerland. We propose that the granted mandate includes:

- *the establishing of the opportunities regarding the establishing of the branch according to facilities, restrictions, interdictions and rigours of the Swiss legislation,*
- *identification of a proper headquarters for the branch to be established and signing of the rental documents of the headquarters,*
- *drawing up / preparing of the documents related to the establishing of the branch,*
- *representation of the company Mecanica Fina SA before Swiss authorities for the purpose of performing the procedures imposed by the Swiss legislation for establishing the branch*
- *– granting the quality as managing director within the branch – representation of the branch before Swiss authorities.*

with the duty of the attorney-in-fact to inform the Board of Directors, on a periodic basis, on the stage of procedures.

We also ask the extraordinary general meeting of shareholders:

- *the granting of a mandate to the Board of Directors in order to have the permission of issuing any decision belonging to its competence which might be proven as being necessary and useful for establishing the branch in relation to corresponding Romanian and Swiss legislation*
- *delegation of its tasks to Board of Directors, provided that, for solving any problems adjacent to establishing the branch, a decision of the general meeting of shareholders might be proven as necessary and useful, in relation to corresponding Romanian and Swiss legislation.*

*President of Board of Directors – General Manager
Mollo Sergio*