

Point. 4 Extraordinary General Meeting of Shareholders ob 27/28.04.2017

a.) -- Approval of the limits for the short-term credits to partially finance the production activity, within the total amount of 7.500.000 lei.

The company's activity both in terms of sales of beer and in terms of supply of basic raw materials (barley, hops) is seasonal.

Thus over 80% of the total sales of beer are achieved in the second and third quarters of the year and the difference is made in the first and fourth quarters of the year.

Simultaneously, the supply of agricultural raw materials: barley, two-row barley and hops from the current harvest of each year is entirely done since the month of July and continuing in the fourth quarter of the current year.

The supply under these conditions requires the purchase of sufficient quantities of raw materials for the production of beer for an entire year respectively quarter IV of the current year and quarters I, II and III of the following years until the new harvest, taking into account the normal period of barley grain maturation.

At the same time, the malting process is performed from September to December of the current year, involving large expenditures for the technological utilities: heat, water, electricity, in a cold period of the year when the cash flows are low due to a reduced level of sales determined by the low consumption of beer.

For 2016, the General Meeting of Shareholders on April 7, 2016 approved a maximum limit for short-term credits amounted to 7.500.000 lei for the partial financing of production activity, respectively the payment of the suppliers of raw materials, consumables, technological utilities, respectively heat, electricity, water etc.

In 2016 we contracted on a short-term credit line amounted to 4.000.000 lei with Raiffeisen Bank and a short-term credit line amounted to 3.500.000 with BRD Societe Generale.

Considering the production program for the year 2017, the raw material resources available at the beginning of the year in order to ensure the necessary raw materials associated to the production of malt in the fourth quarter of 2017 and the production of beer in 2018, the acquisition and processing expenses must be partially financed as follows:

- Expenses for the acquisition of raw materials from the new harvest (barley, two-row barley, hops) for the production of beer in quarter IV of 2017 and in quarters I, II and III in 2018 = 4.300.000 lei;
- Malt processing (manufacture) expenses (heat + electricity) quarter IV in 2017 = 1.600.000 lei;
- Purchase of specific packaging for the bottled beer (crates and bottles) and main materials used in the process of manufacturing and bottling beer = 1.900.000 lei.

The Board of Directors proposes to the Extraordinary General Meeting of Shareholders the approval of the same level amounted to 7.500.000 lei for short-term credits in order to finance the production activity in 2017 and 2018.

In addition to credits, the company has other commitments to the banks deriving from the contracts concluded for the issuance of letters of bank guarantee in favour of third parties such as those issued by Raiffeisen Bank in favour of the Ministry of Public Finances for the guarantee of the tax warehouse according to the applicable legislation for the regulation on the excise payment guarantee on beer.

At this time, for the pending credits and letters of bank guarantee issued by banks in favour of third parties assets from the company's patrimony whose balance accounting value exceeds 20% of the total fixed assets are mortgaged and pledged, less receivables.

Considering the specific activity of the company which requires partial and temporary credit sources, it is necessary the approval of the Extraordinary General Meeting of Shareholders for:

- b.) - The pledge and mortgage of immovable and movable assets in favour of the financing banks to guarantee credits to be contracted in 2017 and 2018 and to obtain guarantees such as letters of bank guarantee at the company's request for third parties (public institutions, suppliers);**

c.) - The delegation of the Board of Directors to set by resolution the financing banks, the negotiation of the credit terms and conditions, and individualization of assets mortgaged to guarantee these credits and the signature of the mortgage and pledge contracts for short-term credits to be concluded in 2017 and 2018 .

*Președinte Consiliul de Administrație
ec. Anisoai Elena*