



TMK-ARTROM S.A.

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E-mail: office.slatina@tmk-artrom.eu www.tmk-artrom.eu
EUID: ROONRC.J28/9/1991; J28/9/31.01.1991
VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

TMK ARTROM SA – DIVIDEND POLICY

1. General Provisions

- 1.1 The purpose of this dividend policy is to establish the set of principles, terms and conditions which TMK Artrom SA (the “**Company**”) intends to apply in relation to the distribution of net profits.
- 1.2 This policy is developed in accordance with the legal and regulatory framework applicable in Romania and with the Company’s constitutive deed, as well as any other applicable rules and regulations.
- 1.3 The policy confirms Company’s Board of Directors’ commitment to offer the Company’s shareholders the opportunity to yield a return on the money invested and the Company the opportunity of sustainable development.

2. Principles

- 2.1 The Company’s shares are indivisible and confer equal rights to their holders.
- 2.2 The dividends are paid to the Company’s shareholders pro rata to their holdings in the Company’s paid up share capital.
- 2.3 The Company's dividends are distributed from its net distributable profit.

3. Competence for Approving the Dividends Payment

Dividends are declared and paid only if approved by the Company’s Ordinary Meeting of Shareholders, based on the proposal of the Board of Directors or of the shareholders of the Company holding, on a standalone basis or together with other shareholders, at least 5% of the Company's share capital.

4. Percentage of Net Profits for Dividends’ Distribution

In absence of exceptional market conditions or circumstances, it is the Company’s intention to recommend to the shareholders to distribute dividends which amount to not less than 30% of the net profits of the year.

The Board of Director’s proposal for, as well as the decision on the distribution of profit to shareholders, shall always be subject to applicable law and commercial considerations (including, without limitation, applicable regulations, restrictions, the group’s results of operations, financial condition, cash requirements, cash resources available for dividend distribution as well as the Company's indebtedness, contractual restrictions, the group’s



API:
5CT-0440
5L-0352

LRQA:
ISO 9001
ISO 14001
OHSAS 18001

TUV:
PED/AD-2000 W0/W4/
TRD 100/102
Vd TUV

TUV CPR:
EN 10210-1,2
EN 10255

LR
DNV-GL Rules
RINA

LRQA:
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TMK EUROPEAN DIVISION Cod: FCU-01, Ed. 3 Rev. 2/2017



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future projects, plans, tax considerations, investment opportunities and needs and so on), as well as subject to the approval of the Ordinary Meeting of Shareholders.

5. Right to Dividends

The shareholders registered in the shareholders' registry kept by Depozitarul Central SA on the record date set by the Ordinary Meeting of Shareholders approving the distribution of dividends are entitled to dividends. The record date shall be at least 10 business days after the date on which the Ordinary Meeting of Shareholders approved the dividend distribution.

6. Dividends' Payment

- 6.1 The Company's Ordinary Meeting of Shareholders approving the distribution of dividends also approves the dividends payment date. Such date is to fall on a business day no later than 15 business days after the record date, however not later than 6 months from the date of the resolution of the Ordinary Meeting of Shareholders establishing the dividends. If such date is not approved by the Ordinary Meeting of Shareholders, then dividends are to be paid within 30 days from the publication of the resolution of the Ordinary Meeting of Shareholders establishing the dividends in the Official Gazette. Any dividends that are not claimed by the entitled shareholders within three years from the date on which their payment becomes due shall be retained by the Company.
- 6.2 The Decision of the Ordinary Meeting of Shareholders to distribute dividends is a writ of execution based on which the shareholders may initiate the forced execution procedure against the Company according to the law.
- 6.3 Dividends will be paid to the shareholders through Depozitarul Central SA and the participants to its system.
- 6.4 Prior to paying the dividends, the Company shall inform the shareholders with respect to the value of the dividends per share, the ex date, the record date and the payment date, as established by the Ordinary Meeting of Shareholders, as well as the payments means and the payment agent's identification data.
- 6.5 Applicable tax regulations will be complied with.

7. Final Provisions

- 7.1 This policy becomes effective as of the date of its approval by the Extraordinary Meeting of Shareholders. Should the need arise, the Board of Directors may propose to change this policy, case in which it will submit the amended dividend policy proposal to the approval of the Extraordinary Meeting of Shareholders.



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- 7.2 In the event of changes and amendments to the relevant legislation or the Company's constitutive deed affecting this policy, the provisions of this policy shall be deemed modified in order to reflect the new applicable legal provisions or the changes to the Company's constitutive deed as of the date such new legal provisions and/or changes to the Company's constitutive deed become effective.
- 7.3 This policy is published on the Company's website.



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