

**TMK-ARTROM S.A.**

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J 28/9/1991; VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

PROPOSAL FOR DISTRIBUTION OF PROFIT OF THE YEAR 2016

We propose the distribution of accounting profit of year 2016, in amount of 877.190,37 lei as follows to:

- On legal reserves under the Law 31/1990, at least 5% from the annual gross profit (but not more than 20% from the share capital) 62.353 lei of which:
 - 56.582 lei, legal reserves under the Law 31/1990, at least 5% from the annual gross profit (but not more than 20% from the share capital) less than the part related to the reinvested profit;
 - 5.771 lei legal reserve, corresponding of reinvested profit pursuant to Art. 22 on tax exemption of reinvested profit from the Law 227/2015 "Fiscal Code";
- On " Other reserves for reinvested profit " 109.651 lei representing the reinvested profit in technological equipment – machinery, equipment and working installations as well as in Electronic computers and peripheral equipment under the provisions of art. 22 exemption from taxation of reinvested profits of Law 227/2015 "Fiscal Code";
- In Retained earnings of the difference of profit of 705.186,37 lei.

	Destination				Amount lei
A	Net profit to distribute 2016:				877.190,37
1	Share Capital *20%	291.587.538,34	20%	58.317.507,77	
2	Legal reserve before distribution from the profit of year 2016			15.036.603,57	
3	Legal reserve which can be established: 1-2			43.280.904,20	
4	Profit before tax *5%	1.247.068,08	5%	62.353	
	-legal reserve in accordance with Law 31/1990, in the quota of 5% applied to accounting profit before the profit tax for the formation of the reserve fund until it reaches at least a fifth of the share capital				56.582,00
	- The legal reserve related to the reinvested profit according to the provisions of art 22 on reinvested profit tax exemption of Law 227/2015 "Fiscal Code"				5.771,00
B	Total legal reserve				62.353,00
C	The reinvested profit under the provisions of art. 22 on reinvested profit tax exemption of Law 227/2015 "Fiscal Code" in account "Other reserves"				109.651,00
D	Carrying forward the difference of the undistributed profit in retained earnings: A-B-C				705.186,37

Chief Executive Officer,
Ing. Popescu Adrian

Chief Economical and Accountancy Officer,
Ec.Vaduva Cristiana