

**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