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Independent Assurance Report by the Independent Financial Auditor in accordance with CNVM Regulation no 1/2006 on Reporting Schedules prepared in accordance with the provisions of Law no 297/2004 (Article 225)

To the Board of Directors of SC TMK ARTROM SA

We have performed certain procedures in accordance with the CNVM Regulation no 1/2006 on the agreements enclosed in the attached report (Report 102/373 dated 21/12/2015) ("Attached Report") that has been prepared by TMK ARTROM SA ("The Company") in accordance with the provisions of Law no 297/2004 (article 225) in order to report to Financial Supervisory Authority ("FSA") for the period 1st July 2015 – 31 December 2015. The report has been prepared by the Company based on the legal documents concluded by the company with administrators, employees and significant shareholders, as well as with individuals related with them. The responsibility to prepare this report lies with the management of the company.

Our procedures have been performed exclusively on the agreements concluded in the period 1st July 2015 – 31 December 2015.

Our work was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements, other than the audit or reviews of financial information related to previous periods", text translated in Romanian and adopted by the Romanian Financial Auditors Chamber.

In accordance with this standard, our conclusion is based on the procedures that we have performed and which are stated below. Taking into account that the procedures that we have performed are not considered as procedures related to an audit or a review of financial statements prepared by the Company or a part of these we are not issuing an audit opinion or a review for these.

Regarding the attached report of the Company we have performed the following procedures:

1) We have obtained from the Company the attached report and we have checked if the signatures enclosed in this report are those of the representatives of the Company and we have compared the details that are required to be enclosed in this report under the Law 297/2004 (article 225) with the information that have been enclosed in the report by the Company.

2) For the individual agreements / conventions that we have analyzed, as defined in this report, we have determined if the details enclosed in the report match on all significant matters with the information enclosed in the signed agreements and conventions, provided to us, and if those have been signed by the representatives of the company, in accordance with the list of authorized signatures provided to us. Where appropriate, we compared if the details enclosed in the report correspond with the documentation related to the agreements and conventions: parties that have signed the legal documents; the date when the documentation was signed and its nature; description of type of goods/services provided in the documentation; the total

value achieved or estimated of the agreements/conventions, and where appropriate, related contractual terms and conditions.

3) We have compared if the details provided in the attached report correspond with the information obtained after discussions had with the management of the Company as well as with the related documentation of conventions / agreements on the level of detail disclosed regarding the nature of the conventions/agreements concluded by the Company with parties.

4) Based on the discussions with the management of the Company, as well as a result of examination of the policies and procedures of the Company disclosed to us , we have analyzed the way in which the transactions of the Company with the administrators, employees and significant shareholders ,as well as with the individuals related to them, comply with the policies and the procedures of the Company.

5) To the extent that there is a market price for goods and services provided to the Company by the administrators, employees and significant shareholders, as well as with individuals related to them, we have discussed with the management of the Company the way in which have been established these prices and if, from case to case, the agreed prices match with those used by other parties (third parties) , for similar goods and services. If there are not available market prices, we checked if those transactions are performed based on the signed and approved agreements.

Our procedures have been performed only on the agreements enclosed in the attached report, that have been concluded/amended within the period 1st July 2015 – 31 December 2015 and that have an estimated value within the reporting period higher than 50.000 EUR. We have not performed any procedure in order to check if the report contain all the transactions and details that the Company has to report under the article 225 of Law no 297/2004 for this period.

Conclusion

As a result of the performance of procedures described on point 2 above , having as goal checking the complying of the details enclosed in the attached report with the information provided by the agreements and conventions disclosed , we have identified that in the Report 102/373 dated 21/12/2015 is presented the addendum on the agreement 14-5004 ART-RES dated 04.12.2013 concluded between TMK Artrom SA and TMK EUROPE GmbH, namely Specification 11 with a value of EUR 882.360 without mentioning the deviation tolerated compared to quantity and weight from Specification (+/-5% to bricks and other goods and +/-3% to concrete and other mixes); Addendum to agreement 14-5004 ART-RES dated 04.12.2013 concluded between TMK Artrom SA and TMK EUROPE GmbH, namely Specification 13 with a value of EUR 294.093 without mentioning the deviation tolerated compared to quantity and weight from Specification (+/-5% to bricks and other goods and +/-3% to concrete and other mixes) and Addendum no 3 to agreement 14-5004 ART –RES dated 04.12.2013 concluded between TMK Artrom SA and TMK EUROPE GmbH without mentioning exception of the margin

of 3% of TMK EUROPE GmbH from additional discount of 3.5% of each granting period was extended until 31 December 2015;

We have noticed that in the Report 102/373 dated 21/12/2015 is not enclosed the addendum 4 to the agreement no 990/30.12.2011 concluded between TMK Artrom SA and TMK Resita with a value of EUR 28.000.000 through which is extended the validity of the agreement until 31.12.2016 and is completed the payment method also through compensation order within 30 days from the date of invoice.

Based on the procedures performed , as mentioned above, regarding the legal documents enclosed in the attached report, except those presented in the paragraph above , nothing came to our attention that would cause us to believe that:

- a) The details provided in the attached report are not in accordance with the conventions/agreements made available to us by the Company;
- b) The details provided in the attached report are not in accordance in all significant issues with the legal requirements;
- c) Related conventions/agreements made available to us were not properly authorized by the representatives of the Company
- d) The prices agreed between parties have not been mutual agreed based on the type of goods/services and other terms and conditions mentioned in the agreements between parties.
- e) The terms and conditions of transactions enclosed in the agreements reported by the company, performed with the administrators, employees and significant shareholders, as well as with individuals related to them, have not been established based on the internal policies of the company applicable of those type of transactions.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purposes.

This report relates only to the attached reports as mentioned above and does not extend to any other reports of the company, individually or taken as a whole.

On behalf of,

Ernst& Young Assurance Services SRL

Sebastian Mocanu

Partner

29 January 2016

Bucharest, Romania