

**Independent Limited Assurance Report on the information included in the current reports issued by the Company in accordance with requirements of Law 24/2017 (Article 82) and Regulation no. 1/2006**

To the Board of Administration of TMK ARTROM S.A.

We were engaged by the **TMK ARTROM S.A.** (hereinafter "the Company") to perform certain procedures in accordance with Regulation no. 1/2006 of National Securities Commission (CNVM), actually Financial Supervisory Authority ("ASF") with all its subsequent amendments and updates and report on the information included in the attached current reports (hereinafter "Reporting Schedules") (**Report 102/30 from 31 January 2018, Report 102/33 from 7 February 2018, Report 103/38 from 14 February 2018, Report 102/89 from 20 April 2018, Report 102/146 from 11 June 2018 and Report 102/168 from 20 July 2018**) that have been prepared by the Company in accordance with the requirements of the Law 24/2017 (Article 82) ("the criteria") to report to the Financial Supervisory Authority ("FSA") and to the Bucharest Stock Exchange for the period from 1 January 2018 to 30 June 2018. The Reporting Schedules have been prepared by the Company based on legal documents signed by the Company with its administrators, employees and significant shareholders as well as with the persons related to them. The Reporting Schedules are the responsibility of the Company's management. Our procedures have been performed exclusively on the Reporting Schedules mentioned above covering the period 1 January 2018 to 30 June 2018.

**Specific Purpose**

This report is intended solely for the purposes specified in the first paragraph above and for your information and must not be used for any other purpose. The report refers exclusively to the Reporting Schedules and must not be associated with any Company's financial statements as a whole. Our procedures have been performed exclusively on the contracts signed during the period 1 January 2018 to 30 June 2018.

**Management's Responsibilities**

The Company's management is responsible for the preparation of the Reporting Schedules in accordance with the requirements of the Law 24/2017 (Article 82) ("the criteria"). In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Reporting Schedules from being materially misstated.

In addition, the Company's management is responsible for ensuring that the documentation provided to the auditor is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

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## Auditor's Responsibilities

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", as adopted by the Chamber of Financial Auditors in Romania. These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Reporting Schedules.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the auditor's judgment. The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the Reporting Schedules.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

In respect of the Reporting Schedules of the Company we have performed the following procedures:

- 1) We have obtained the attached Reporting Schedules from the Company and agreed that the signatures on the Reporting Schedules are those of relevant representatives of the Company and we have undertaken a comparison of the details required to be included in the Reporting Schedules as indicated in Law 24/2017 (Article 82) to the information actually included by the Company.
- 2) We have compared details, for the individual contracts/agreements we have considered, as detailed in this Report, to determine if the content of the Reporting Schedules is consistent, in all material respects, with information as per signed contracts and agreements presented to us and that the presented documents have been signed by representatives of the Company that are indicated in the authorized signature schedule provided to us by the Company. As applicable, our procedures have compared Reporting Schedules to the contract and agreement documentation for consistency of details on: the parties which signed the legal document; the date when documentation was signed and the nature of the documentation; the description of the type of goods/services as indicated in the documentation; the total value of the contract/agreement documentation, and, as applicable, contract related terms and conditions.

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- 3) We have compared details disclosed in the Reporting Schedules for consistency with the information provided to us from discussion with management and to the extent indicated in contract/agreement documentation, in relation to the basis and nature of the contract/agreement entered into by the parties.
- 4) From discussions with the management and from perusal of Company policies and procedures provided to us, we have considered the consistency of the transactions performed with administrators, employees and significant shareholders, as well as with persons related to them with the Company's policies and procedures.
- 5) To the extent that there is a market price for the goods or services provided by administrators, employees and significant shareholders, as well as with persons related to them, we have discussed the basis for the price agreement and considered if, to the extent applicable, the prices agreed are consistent with that used for third (other) parties, where similar goods or services could be provided. To the extent that no market prices are available, we have analyzed if the transactions have been performed based on the signed approved contracts.

Our procedures have been performed only on the contracts included in the attached Reporting Schedules, that have been concluded/modified during 1 January 2018 to 30 June 2018 and that have an estimated value during the reporting period above 50,000 Euros. We have not performed any procedures to verify whether the Reporting Schedules include all the transactions and details that the Company has to report according to Article 82 of Law 24/2017 for the reporting period.

## Conclusion

Based on the procedures performed and evidence obtained, as described above, regarding the legal documents which are included in the Reporting Schedules, nothing has come to our attention that causes us to believe that:

- a) The details as indicated in the Reporting Schedules are not in accordance with the related contracts/agreements presented to us.
- b) The details in the Reporting Schedules are not, in all material respects, consistent with the requirements of the legislation.
- c) The related contracts/agreements provided to us were not properly authorized by representatives of the Company.
- d) The prices have not been established by mutual agreement between the parties in accordance with the type of goods/services and also by considering other terms and conditions mentioned in the respective contracts signed between the parties.
- e) The terms and conditions of the contracts reported by the Company under which transactions have been completed with administrators, employees, significant shareholders, as well as with the persons related to them, are not established on the basis of the contracts signed by the Company according to the type of services and to other terms and conditions agreed between the parties.

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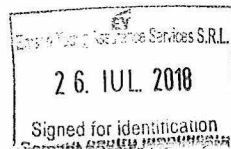
Our report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose.

This Report relates only to the Reporting Schedules 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



26 July 2018  
Bucharest, Romania

**Attachment**

- Report 102/172 from 24 July 2018

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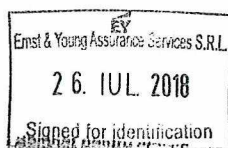
TMK-ARTROM S.A.

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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

No 102/182 from 24.07.2018

**List of the Current Reports submitted to A.S.F  
during first Semester of 2018  
regarding the information provided in art. 82 paragraph (1) of the Law no. 24/2017 and of  
Regulation no. 1/2006 on issuers and transactions with securities**

1. Addendum no 3 dated 03.01.2018 to the sale purchase agreement no. 2389 dated 23.12.2014 with TMK-RESITA ('The Buyer'), having as object the sale of ferrous metal by-products / scrap, in value of approximately 35.000.000 lei, and the validity of the agreement is extended until 31.12.2018.
2. Addendum no 6 dated 03.01.2018 to the sale – purchase agreement in commission no. 990 dated 30.12.2011 with TMK-RESITA ('The Buyer'), which sets the estimated value of the agreement for 2018 at approximately 15.000.000 euro, and the validity of the agreement is extended until 31.12.2018.
3. Addendum no. 10 dated 16.01.2018 at the agreement 868/13.09.2011 with TMK ITALIA SRL ('The Agent'), which amends Art. 4.9 by removing the mention that at each payment is retained 5% non-resident tax. Thus Article 4.9 specifies that the agent is required to send the tax residence certificate.
4. Specification no. 18-008 dated 25.01.2018 to the purchase agreement TA-001/6A dated 16.04.2015 with PAO "TMK" ('The Seller'), having as object the purchase of metal products in a total amount of 172,084 euro, the total value including a maximum quantity tolerance.
5. Appendix no. 5 of 27.12.2017 to the sale agreement no. PM-026/2A dated 09.01.2012 with TMK Middle East ('The Buyer'), having as object the sale of pipes, the estimated value of the agreement being approximately 2.570.000 USD (+/- 10%) and the validity of the agreement extends until 31.12.2018.
6. Sale agreement no. 162/130018000282 dated 16.03.2018 with Sinarsky Pipe Plant ('The Buyer'), having as object the sale of TMK-C alloy pipes, the value of the agreement being the sum of the specifications related to the contract and the validity of the agreement being until 31.12.2018.
7. Specification no. 01 dated 26.03.2018 to the sale agreement no. 162/130018000282 dated 16.03.2018 with Sinarsky Pipe Plant ('The Buyer'), having as object the sale of TMK-C alloy pipes, in total amount of 234.017 euro, the total value including a maximum tolerance for quantity.
- 8 Sale agreement no. 178 dated 23.03.2018 with Orsky Machine Building Plant ('The Buyer'), having as object the sale of TMK-C alloy pipes, the value of the agreement being the amount of the specifications related to the agreement and the validity of the agreement being until 31.12.2018.
9. Sale purchase agreement no. 213 dated 11.04.2018 with TMK-RESITA ('The Buyer'), having as object the sale of EUA greenhouse gas emission certificates, in value of 801.845 RON.



API:  
5CT-0440  
5L-0352

LRQA:  
ISO 9001  
ISO 14001  
OHSAS 18001

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

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

TUV CPR:  
EN 10210-1,2  
EN 10255

LR  
DNV-GL Rules  
RINA

LRQA:  
ISO/TS 16949

10. Addendum no. 3 dated 29.12.2017 to the sale agreement no. SR-1624/6A (2332) dated 27.10.2014 with TMK GLOBAL SA ('The Buyer'), which extends the validity of the contract up to 31.12.2018.

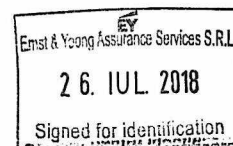
11. Specification no. 18-023 dated 01.06.2018 to the purchase agreement TA-001/6A dated 16.04.2015 ('The Agreement') with PAO "TMK" ('The Seller'), having as object the purchase of metal products in a total amount of 700,997 euro, the total value including a maximum quantity tolerance.

12. Specification no. 18-024 dated 01.06.2018 to the purchase agreement TA-001/6A dated 16.04.2015 ('The Agreement') with PAO "TMK" ('The Seller'), having as object the purchase of metal products in a total amount of 583,108 euro, the total value including a maximum quantity tolerance.

13. Specification no.. 18-026 dated 18.06.2018 to the purchase agreement TA-001/6A dated 16.04.2015 ('The Agreement') with PAO "TMK" ('The Seller'), having as object the purchase of metal products in a total amount of 83,330 euro, the total value including a maximum quantity tolerance.

14. Specification no.. 18-027 dated 18.06.2018 to the purchase agreement TA-001/6A dated 16.04.2015 ('The Agreement') with PAO "TMK" ('The Seller'), having as object the purchase of metal products in a total amount of 76,920 euro, the total value including a maximum quantity tolerance.

Chief Executive Officer,  
Ing. Popescu Adrian



Chief Economical and  
Accountancy Officer  
Ec. Vaduva Cristiana



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