

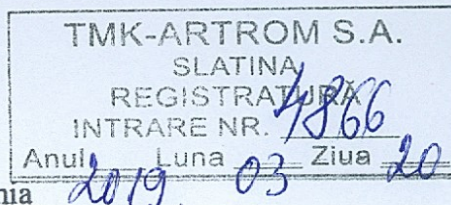


TMK Europe GmbH

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Date: 20 March 2019

To: **Board of Directors of TMK-Artrom SA**
30 Draganesti Street, Slatina, Olt County, Romania



Attn: **Mr. Andrey Zimin**
Chairman of TMK-Artrom SA's Board of Directors

Re: **Additional items to be included on the agenda of the Ordinary General Meeting of Shareholders of TMK-Artrom SA scheduled for 5 April 2019 and the Submission of draft resolutions for certain items included on the agenda of the Ordinary and Extraordinary General Shareholders Meetings of TMK-Artrom SA scheduled for 5 April 2019**

Dear Mr. Zimin:

The undersigned, **TMK Europe GmbH**, a company duly incorporated under the laws of the Federal Republic of Germany, registered under no. HRB 66767, having its headquarters in Germany, Dusseldorf, Immermannstrasse 65 d, 40210, represented by Sergey Guriev, in his capacity of Director (Geschäftsführer) (hereinafter referred to as "**TMK Europe**"),

WHEREAS:

- (i) TMK Europe is the shareholder of TMK-Artrom S.A., a Romanian joint stock company having its headquarters at 30 Draganesti Street, Slatina, Olt County, Romania, registered with the Trade Registry under no. J28/9/1991, EUID: ROONRC J28/9/1991, sole registration code 1510210 (hereinafter referred to as the "**Company**" or "**TMK-Artrom**"), holding 107,722,706 shares representing 92.7282% of the Company's share capital;
- (ii) According to the provisions of Article 117¹ Law no. 31/1990 on companies, as further amended and republished (the "**Companies Law**"), the provisions of Article 92(3) of Law no. 24/2017 on issuers of financial instruments and market operations ("**Capital Market Law**") and the provisions of Article 189 of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, any shareholders holding, individually or together, at least 5% of the voting rights in the Company are entitled: (i) to add new points on the agenda of the shareholders meeting, under the condition that each new point is to be justified or accompanied by a draft resolution as proposed to be adopted by the shareholders meeting; and (ii) to submit draft resolutions for the points included or proposed to be included on the agenda of the shareholders meeting;

We hereby request that:

1. The agenda of the Ordinary General Meeting of Shareholders convened for 5 April 2019, at 11:00 hours, at the Company's headquarters located at 30 Draganesti Street, Slatina, Olt County, Romania (or on 8 April 2019 at the same place, at 11:00 hours, and with the same agenda, in case the quorum conditions required by the law and by the Articles of Incorporation are not fulfilled in the first

meeting), according to the Calling Notice published in Part IV of Official Gazette of Romania no. 989 of 5 March 2019, be supplemented with the following points:

- (i) To approve the distribution of 14,280,000 RON from the Company's net profits for year 2018 as dividends; and
- (ii) With respect to the decision to approve the distribution of dividends, to establish the date of registration, ex-date and date of payment for the payment of dividends in accordance with the provisions of the Capital Market Law and FSA Regulation 5/2018 as follows:
 - 13 September 2019 shall be the record date set in accordance with Article 86(1) of the Capital Market Law (the "**Record Date**") and
 - 12 September 2019 shall be the ex-date set in accordance with ASF Regulation 5/2018 (the "**Ex-date**"); and
 - 4 October 2019 shall be the payment date of the dividends, set in accordance with Article 178(2) of ASF Regulation 5/2018 (the "**Payment Date**").

We request the two afore-mentioned items be included on the agenda of the Ordinary General Meeting of Shareholders considering that the Company has registered a profit for 2018 financial year of 56,569,986.13 RON which may be partially used for dividends distribution. The Payment Date proposed is the maximum allowed by the legal provisions in order to allow the Company the maximum time allowed under the law to ensure sufficient liquidities are at its disposal in order to pay the dividends as approved for distribution by the Ordinary General Shareholder Meeting.

And we submit draft resolutions for certain items included on the agenda of the Ordinary and Extraordinary General Shareholders Meetings of TMK-Artrom SA scheduled for 5 April 2019 as follows:

2. With respect to the proposed resolution on item 2 on the agenda of the Ordinary General Shareholders Meeting scheduled for 5 April 2019, we submit the following draft:

"To approve the distribution of the Company's profit for 2018 amounting to 56,569,986.13 lei as follows: (i) 3,389,036 lei to the legal reserves according to Law 31/1990, respectively at least 5% of the annual gross profit (but no more than 20% of the share capital), (ii) 14,280,000 lei as dividends and (ii) 38,900,950.13 lei will be carried over in the next year.

With respect to the decision to approve the distribution of dividends, to establish the date of registration, ex-date and date of payment for the payment of dividends in accordance with the provisions of the Capital Market Law and FSA Regulation 5/2018 as follows:

- 13 September 2019 shall be the record date set in accordance with Article 86(1) of the Capital Market Law (the "**Record Date**") and
- 12 September 2019 shall be the ex-date set in accordance with ASF Regulation 5/2018 (the "**Ex-date**"); and
- 4 October 2019 shall be the payment date of the dividends, set in accordance with Article 178(2) of ASF Regulation 5/2018 (the "**Payment Date**")."

3. With respect to the proposed resolution on item 4 on the agenda of the Extraordinary General Shareholders Meeting scheduled for 5 April 2019, we submit the following amendment to Clause 4 of the Dividends Distribution Policy as referenced in item 4 on the agenda of the Extraordinary General Meeting of Shareholders:

“4.1 In absence of exceptional market conditions or circumstances, it is the Company’s intention to recommend to the shareholders to distribute in the following 10 years dividends as follows:

Closed Financial Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Dividends (not less than % of Net Distributable Consolidated Profit of the Company)	30	32	35	40	50	50	50	50	50	50

- 4.2 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 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. Also, the distribution of dividends in the percentages mentioned in the table under point 4.1 above will always be dependent on the existence of an individually distributable profit at the Company’s level at least equal to the amount that would result from the application of the above mentioned percentages to the consolidated net profit.”

Our proposal of the draft resolution with respect to item 4 on the agenda of the Extraordinary General Shareholders Meeting is therefore to approve the Dividend Distribution Policy attached hereto as Annex 1.

Sincerely yours:



Sergey Guriev
TMK Europe GmbH

Annex 1

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

- 4.1 In absence of exceptional market conditions or circumstances, it is the Company’s intention to recommend to the shareholders to distribute in the following 10 years dividends as follows:

Closed Financial Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Dividends (not less than % of Net Distributable Consolidated Profit of the Company)	30	32	35	40	50	50	50	50	50	50

- 4.2 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 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. Also, the distribution of dividends in the percentages mentioned in the table under point 4.1 above will always be dependent on the existence of an individually distributable profit at the Company's level at least equal to the amount that would result from the application of the above mentioned percentages to the consolidated net profit.

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.
- 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.