

SOCIETATEA “MECANICA CEHLĂU” S.A.
- PIATRA NEAMT –

In the attention of:
FINANCIAL SUPERVISORY AUTHORITY [ASF] BUCHAREST

BUCHAREST STOCK EXCHANGE

CURRENT REPORT

in compliance with the provisions of Law 297/2004 and of the Regulation no. 1/2006 of NSC

Report date: 26/04/2017

Issuing entity: S.C. “Mecanica Ceahlău” SA

Registered Office: Municipality of Piatra Neamt, Str. Dumbravei, N° 6

Phone/Fax: 0233/211104; 0233/216069

Unique Code of Registration with the Trade Registry: 2045262

Trade Registry Incorporation N°: J27/8/1991

Social capital, subscribed and paid: RON 23,990,846.00

Regulated Market on which securities issued are traded: [Bursa de Valori] Bucharest Stock Exchange

Important events to be reported:

1. The Ordinary General Meeting of Shareholders and Resolutions approved

The Ordinary General Meeting of the Shareholders of the company “MECANICA CEHLĂU” S.A. was held on the first convening, i.e., 25/04/2016, and was attended – in person, by representatives or by post – by a number of 5 shareholders, representing 224,491,061 shares, i.e., 93,5736% of the company’s social capital.

Resolutions approved by the Ordinary General Meeting of Shareholders held on 25/04/2016.

Resolution No. 1

It is hereby approved that the secretariat of the Ordinary General Meeting of Shareholders from among the shareholders, in compliance with the provisions of Law 31/1990, article 129, paragraph (2):

1. Ilie Mihailescu
2. Elvira Bulai

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 2

It is hereby approved that the Report on the Board of Directors’ activity for 2016 and the participation at the benefit plans of the administrators and of the executive management in the maximum value of RON 317.034, according to the provision constituted for the executive management in the financial statements for 2016, in this amount being included the contributions of the company as well.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 3

That the Individual Financial Statements for 2016 are hereby approved, together with the independent financial auditor's opinion.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 4

That the distribution of the 2016 net profit, by destinations, is hereby approved as follows:

	- RON -
- net profit to be distributed	2,105,150
- legal provisions	126,928
- other reserves	802.670,55
- dividends, amounting to RON 1,175,551.45, i.e., a gross dividend of LEI 0.0049 / share.	

Payment of dividends set for 22/06/2017, but not later than six months from the date of the Ordinary General Meeting of Shareholders, having determined such dividends.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 5

Sole Article – It is hereby approved the discharge of the managers' liability for 2016.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 6

The main directions of operations and the Budget of Incomes and Expenses for 2017 are hereby approved with the followings fundamental indices:

- turnover	RON 40.870.000
- total income	RON 41.414.852
- total expenses. ...	RON 38.799.123
- net profit	RON 2.615.729

Art.2. It is hereby approved that the objectives of the investment shall be carried out, provided they rely on explanatory notes, previously approved by the Board of Directors.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No. 7

Shall be approved the participation to profit of the administrators in the maximum value of RON 63,150, amount included in the provision established for the executive management in the financial statements for 2016, in this amount being included the contributions of the company as well.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution no. 8

The general remuneration limits shall be approved for administrators and directors of the company for 2017, as follow:

- a) For administrators, the limits established by the Ordinary General Meeting of Shareholders from 14.04.2014 shall be kept.
- b) For the executive management – monthly fixed net remunerations:
 - General Director RON 16.800;
 - Sales Director RON 6.499;
 - Financial Director RON 6.018;
 - Operations Director RON 6.522,to which individual contributions and those of the company shall be added.

Depending on the degree in which the performance indicators are met, collective and individual, at the end of 2017, the Board of Directors will grant a **variable remuneration** to the directors, but this remuneration is situated between the following limits:

- a) Awards - in the limit of 5% from the salary fund or achieved allowances, while conforming with the Budget of incomes and expenses approved by the Ordinary General Meeting of Shareholders.
- b) Annul individual bonuses, as participations to the benefit plans, situated at a level of maximum 9 salaries, if the established performance indicators are met.

Entrustment of the Board of Directors to negotiate and conclude management contract with the executive directors and to ensure the retribution in the limits established by the Ordinary General Meeting of Shareholders.

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the Ordinary General Meeting of Shareholders.

Resolution No 9

It is hereby approved that the date of 08/06/2017 (ex-date 07/06/2017) shall be set as the date for the identification of the shareholders that are to benefit from rights and who are to be subject to the effects of the resolutions adopted by the Ordinary General Meeting of Shareholders

The resolution is hereby adopted with 224,491,061 votes in favour, i.e., 100.00 % of the total shares represented in the.

President of the Board of Directors
Trifa Aurelian-Mircea-Radu