

**SOCIETATEA
“MECANICA CEHLAU” S.A.
- PIATRA NEAMT –**

Attention to:

**AUTHORITY FOR FINANCIAL MONITORING BUCHAREST [ASF]
BUCHAREST STOCK EXCHANGE
CURRENT REPORT**

**in compliance with the provisions under Law 24/2016 and of the Regulation N° 1/2006 of
CNVM**

Report date: 20/06/2017

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 Office of the Register of Commerce: 2045262

Register of Commerce Incorporation N°: J.27/8/1991

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

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

Important events to be reported: Distribution of dividends:

The Management Board of Mecanica Ceahlău SA, according to the provisions of the General Ordinary Meeting of Shareholders no. 4 from 26.04.2017 brings to the attention of the shareholders the distribution method of the dividends as follows:

- the gross dividend per share is of RON 0,0049, amount from which the tax on dividends is withheld, in percentages provided by the legislation in force on the date of the payment;

- the payment of the dividends will start on 22.06.2017 (date of payment), but no later than 6 months from the date of the general meeting of shareholders for the establishment of the dividends;

- the registration date 08.06.2017 (ex-date 07.06.2017) as the date of identification of the shareholders that are to benefit of rights and upon which the effects of the AGOA decisions reflect.

- costs associated to the payment of dividends will be supported by the shareholders;

- in case of deceased shareholders, the dividends are to be paid at the request of the successors only after the performance by the Depozitarul Central București of the transfer of shares on the name of the inheritors.

The distribution of the dividends shall be made starting with 22.06.2017 for payments via bank transfer, respectively, starting with 22.06.2017 for cash payments, to the shareholders registered in the Registry of the Shareholders of Mecanica Ceahlau SA on the registration date 08.06.2017 (ex-date 07.06.2017) until the date of 22.06.2020.

The methods and terms for the payment of dividends are the following:

I. Cash payments for natural person shareholders:

For natural person shareholders, the payment of dividends shall be made in cash, by Mecanica Ceahlau making available the amounts at the BCR S.A. Banking units, both in urban and rural areas in the entire country, through the company Depozitarul Central S.A., starting with 22.06.2017.

The natural person shareholders may present themselves at the BCR SA banking units, the receipt hours of the dividends falling in the working hours of the BCR SA banking units.

Payment of dividends at the BCR SA units shall be made only to the natural person shareholders, as follows:

1. Any payment performed at the cash desk shall be confirmed by signature by the person that will effectively receive the amounts, on the receipt of that payment.
2. In case of Holders not represented by the Participant, resident natural persons that come to the cash desk, the payment of the amounts shall be made only based on the identity document consisting of the personal numeric number (C.N.P.). The identification of the holders not represented by the Participant shall be made based on the information in the CNP field.
3. In case of holders not represented by the Participant, non-resident natural persons that will come personally to the cash desk, the payment of the amounts shall be made based on the passport consisting of series and number that correspond to those enlisted in the file.
4. In case of holders not represented by the Participant, natural persons aged under 15 years, the payment shall be made to their legal representative - guardian/parent of the underage child, based on the following documents: birth certificate of the Holders not represented by the Participant may have enlisted the CNP + 1 certified photocopy for the conformity with the original (photocopy will be kept), legal document that established the guardianship in case of the guardian that in not one of the parents + 1 certified photocopy for conformity with the original (photocopy will be kept) and the identity document of the guardian/parent + 1 certified photocopy for conformity with the original (photocopy will be kept).
5. In case of holders not represented by the Participant, natural persons appointed as curator, the payment shall be made through the curator of that person based on the following documents: identity document of the Holders not represented by the Participant may have enlisted the CNP + 1 certified photocopy for the conformity with the original (photocopy will be kept), legal document establishing the curatorship in case of the guardian that in not one of the parents + 1 certified photocopy for conformity with the original (photocopy will be kept) and the identity document of the curator + 1 certified photocopy for conformity with the original (photocopy will be kept).
6. In case of holders not represented by the Participant, natural persons that don't come personally to the cash desk, but empower somebody within this meaning, the payment of the amounts shall be made to the empowered person, based on the following documents: notarized special power of attorney consisting in the proxy for the receipt of the money issued with no more than 3 years previous to the date on which the payment is performed and valid on the date of the payment + 1 certified photocopy for conformity with the original (photocopy will be kept) and the identity document of the empowered person+ 1 certified photocopy for conformity with the original (photocopy will be kept).
7. Documents presented in a foreign language will be accompanied by the notarized translation into Romanian, and if issued by a foreign authority, these must bear apostille or must be supralegalized.

8. Exceptional situations

The payment of the cash amounts will not be performed at the cash desk in the following cases:

- a) To Holders not represented by the Participant whose CNP in the documents presented at the cash desk are not in conformity with those enlisted in the File, these being guided to the Central Depository.
- b) To inheritors of the Holders not represented by the Participant deceased enlisted in the file. These will be guided to the Depozitarul Central.
- c) In any other exceptional situations, that don't fall under the situations provided in this Contract, case in which the Holders not represented by the Participant, shall address the Depozitarul Central.
- d) Amounts bigger than RON 10,000 will not be paid in cash, according to the applicable legal framework (Law no. 70/2015).

II. Payments via bank transfer (in the amounts opened in RON at a bank in Romania) for natural and legal person shareholders.

Starting with 22.06.2017, the natural and legal shareholders that desire the payment of the dividends via bank transfer, may require and send to the Depozitarul Central S.A. the documents necessary for the payment of dividends as follows:

1. Natural person holders of financial instruments, personally or through a legal or conventional representative, shall present to Depozitarul Central the collection form IBAN code, in which they'll mention the bank and account (IBAN code) opened in the name of Holder of the Financial Instruments (model available on the website of Depozitarul Central - www.depozitarulcentral.ro), accompanied by:

- Copy after the identity document valid in which the personal numeric code is legible - certified by the holder as a "true copy"
- Bank statement or document issued by the bank (signed and stamped) by which it is confirmed the existence of the account on the name of the Holder of Financial instruments, mentioning the IBAN code, in original;
- Copy of the documents that certify the quality of legal or conventional representative of the signatory of the request, if the case - certified by the holder as a "true copy"
- Evidence of paying the fee

2. Legal person holders of financial instruments, through a legal or conventional representative, shall present to Depozitarul Central the collection form IBAN code, in which they'll mention the bank and account (IBAN code) opened in the name of Holder of the Financial Instruments (model available on the website of Depozitarul Central - www.depozitarulcentral.ro), accompanied by:

- Copy of the registration certificate - certified by the holder as "true copy";
- Copy after the document that certifies the quality of the legal representative of the company (confirmation of company details/equivalent entity - for foreign entities) - certified by the holder as "true copy";
- Copy of the documents that certify the quality of the conventional representative of the signatory of the request, if the case - certified by the holder as a "true copy"
- Bank statement or document issued by the bank (signed and stamped) by which it is confirmed the existence of the account on the name of the legal person holder, mentioning the IBAN code, in original;
- Evidence of paying the fee

Requests for transferring dividends in bank account shall be sent to: Depozitarul Central SA – Bucharest, B-dul Carol I no. 34-36, floor 3, district 2, fax 021.408.58.14

All requests above mentioned shall contain also the email and phone number on which the shareholders and their intermediaries/representatives may be contacted, as appropriate, in the event of certain clarifications.

3. Natural or legal person shareholders who on 08.06.2017 (ex-date 07.06.2017) (registration date according to AGOA decision) hold shares issued by Mecanica Ceahlau SA, in accounts opened at participants in the system of the Depozitarul Central (financial investments companies and banks), shall receive the dividends associated to the holdings, in the account of those participants.

III. Non-resident natural/legal persons

In order to apply the provisions of Law 227/2015 on the Fiscal Code, updated and methodological rules for the application, for applying the conventions of double taxation on the income and share capital taxes and for the application of the provisions on the joint fiscal regime for shareholders resident of certain member states of the EU or EFTA, the non-resident shall submit the certificate of fiscal residence in original issued by the competent authority from its state of residence, at the headquarter of the company Mecanica Ceahlau S.A in Piatra Neamț, str. Dumbravei, no. 6, Neamt County.

In case the shareholder does not present the certificate of fiscal residence, the deducted tax will be calculated by applying the percentage applicable for resident shareholders.

IV. For shareholders whose net dividend is less than the payment fees, these may enter in the possession of the dividends starting with 22.06.2017, as follows:

Cash payment at the headquarter of Mecanica Ceahlau S.A. In Piatra Neamț, str. Dumbravei, no. 6 for shareholder natural or legal persons (based on a written request accompanied by the photocopy of the identity document or the registration certificate and articles of corporation);

V. Documents presented in a foreign language will be accompanied by the notarized translation into Romanian, and if issued by a foreign authority, these must bear apostille or must be supralegalized.

President of the MB
Trifa Aurelian Mircea Radu