

The Company
“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 24/2017 and of the Regulation N° 5/2018 of ASF

Report date: 22/05/2020

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: Press release regarding the payment of dividends for 2019 and the availability of the dividend payment procedure

The company MECANICA CEHLAU S.A. informs the interested shareholders and investors about the distribution of the dividends related to 2019, granted according to the OGMS Decision no. 6 / 22.04.2020, following which the payment of a gross dividend amounting to 0.04585 lei / share was approved, starting with 29.05.2020 (Payment date), through the Central Depository S.A. Bucharest and Banca Transilvania S.A.- the paying agent. The related dividend tax will be withheld at source at the rates provided by law or other specific regulations.

The payment of dividends will be made to the shareholders of MECANICA CEHLAU S.A. registered in the Register of Shareholders kept by the Central Depository S.A. Bucharest, on 12.05.2020 (Registration date) approved by the Ordinary General Meeting of Shareholders on 22.04.2020.

All costs related to the collection of dividends by shareholders, regardless of the method of payment, will be borne by shareholders from the value of the net dividend.

The procedure regarding the payment of the dividends related to 2019 will be posted on the website of the company www.mecanicaceahlau.ro, as well as on the website of Depozitarului Central S.A. Bucharest.

President of the Board of Directors

Trifa Aurelian-Mircea-Radu

**PROCEDURE
REGARDING THE PAYMENT OF DIVIDENDS FOR 2019**

1. Following the **Decision of the General Meeting of the Shareholders no. 6. Dated on 22.04.2020, the company MECANICA CEAHLAU S.A. (hereafter called "Issuer" or "MECF") announces the dividend payments for the year of 2019, starting with the date of 29.05.2020.**

The shareholders of MECF who have the right to benefit from the dividends, proportional with the share of the subscribed share capital, are only the shareholders registered on 12.05.2020 in the Register of shareholders of MEC, provided to the Issuer by Depozitorul Central S.A. (established as the "**Registration Date**" by the **Decision of the General Meeting of Shareholders no. 13 from 22.04.2020**).

Ex-Date is established by the Decision of General Meeting of Shareholder no. 13 from 29.05.2020 is the date **11.05.2020**.

2. **The gross value of the dividend** following to be paid for a MECF share is **0.04585 lei / share**. Dividend payments are made in lei.

The dividend tax shall be withheld by the Issuer whenever shall be the case, in accordance with the legal regulations in force on the Payment Date. **In case a shareholder considers that it is exempted from paying the tax**, according to the applicable legal rules, he shall send to the Issuer the proof of the applicability of such legal provisions.

Non-resident shareholders who wish to apply the most favorable provisions of the Convention for the avoidance of double taxation concluded between the Romania and their country of residence, must send/submit to the office of the Issuer from Piatra Neamt, 6 Dumbravei Street, Neamt County the Tax Residence Certificate for the year when it takes place the payment of dividends (2020), within the validity term, in original or as legalized copy, with apostille / legalization, by case, accompanied by the legalized translation in Romanian language, by case, and also the contact details for any possible clarifications for these documents.

In accordance with the Fiscal Code, the tax residence certificate must include the elements of identification of the resident, as well as of the authority that issued the tax residence certificate, such as, but without limitation: name, trade name, address, tax identification code, the mention that he has his residence within the issuing state, and also the issuance date of the certificate.

The supporting documents shall be sent on mail until **27.05.2020**, in original or as legalized copy, together with the contact details for possible clarification on the documents in question. The documents presented in a foreign language shall be accompanied by the legalized translation in the Romanian language, and if they are issued by a foreign authority, they must bear an apostille or legalization, by case.

The Issuer is not responsible for the non-application of the above-mentioned tax treatment, in case the mentioned documentation is not submitted within the term and/or of the requested clarifications.

With the exception of the expenses incurred by the payment of dividends for Depozitarul Central S.A., which will be borne by the Issuer, **the costs related to the receipt of dividends by shareholders, regardless of the method of payment, shall be borne by the shareholders, from the value of the dividend.**

3. **The dividends shall be distributed to the shareholders starting with 29.05.2020, through the Depozitarul Central S.A. ("Depozitarul Central") and of the participants to the compensation-payment system and the Register of Depozitarul Central S.A.**

The Paying Agent assigned by the Issuer is BANCATRANSILVANIA SA ("Paying Agent"), having its headquarters in the Cluj-Napoca Municipality, 8 G. Baritiu Street, Cluj County, registered at the Trade Register Office attached to Cluj Court Law under no. J12/4155/1993, sole tax code 5022670.

4. The procedure for paying dividends is as follows:

A. PAYMENT OF DIVIDENDS BY PARTICIPANTS - for shareholders legal entities / other entities whose securities accounts have been opened by a Participant

For the natural or legal shareholders or for other entities that are holding on 12.05.2020 shares in the opened accounts of a Participant, **the dividends shall be automatically paid by bank transfer, through Depozitarul Central, in the Accounts of the Participants, on the Payment Date (29.05.2020).**

B. PAYMENT OF DIVIDENDS THROUGH DEPOZITARUL CENTRAL

For the natural or legal shareholders or for other entities that, according to MECF Register of Shareholders do not hold on the registration date Registration (12.05.2020) shares in the accounts opened to a Participant, the dividends shall be paid through Depozitarul Central, as follows:

1. THE PAYMENT OF DIVIDENDS BY BANK TRANSFER (IN THE ACCOUNTS OPENED BY THE SHAREHOLDERS AT THE ROMANIAN CREDIT INSTITUTIONS)

The shareholders, natural and legal / other entities, who wish the payment of dividends by bank transfer, they can request and send to Depozitarul Central the following required documents:

I. The shareholders – natural persons, in person or by duly representative or conventional, shall present at the Depozitarul Central the “IBAN Collection Form”, where they will specify the bank and the account (IBAN account), opened on the behalf of the shareholder – natural person (the form is available on the site of Depozitarul Central – www.depozitarulcentral.ro), accompanied by:

- copy of the valid identity document, with the readable personal numerical code - certificate of the holder "*true copy of the original*";
- bank statement or a document issued by the bank (signed and stamped), by which it is certified the existence of the account on behalf of the shareholder and with the specification of the original IBAN code;
- copy of the documents that certify the quality of the signatory of the legal or conventional representative request, if the case - certificate of the holder "*true copy of the original*";
- Copy of the collection payment proof IBAN code.

II. The shareholders - legal entities, through their duly representative or conventional, shall submit to Depozitarul Central the “IBAN code collection form”, where they shall specify the bank account (IBAN code) opened on behalf of the legal person (the form is available on the site of Depozitarul Central – www.depozitarulcentral.ro), accompanied by:

- copy of the certificate of registration - certificate of holder "*true copy of the original*";
- copy of the document attesting the quality of the legal representative for the legal persons (Certificate of Company Details issued by the Trade Register / equivalent entity - for foreign national entities) - holder certificate "*true copy of the original*";
- copy of the documents certifying the quality of the conventional representative of the signatory of the application, if the case - holder certificate "*true copy of the original*";
- bank account or a document issued by the bank (signed and stamped) that certifies the existence of the account on behalf of the legal entity holder, specifying the original IBAN code;
- Copy of the collection payment proof IBAN code.

The documents presented in a foreign language shall be accompanied by the legalized translation into Romanian, and if they are sent by a foreign authority, they must bear an apostille or to be legalized, as the case may be.

In case **the natural or legal person shareholders send the payment request for the dividends in the bank account**, Depozitarul Central shall order the payment through bank transfer, **in 3 working days** after blocking the payment in cash (in case the dividends have not been paid in cash to the natural person shareholders, respectively on the date when they received the payment request (for legal persons).

2. THE PAYMENT OF DIVIDENDS IN CASH, THROUGH THE PAYING AGENT – TRANSILVANIA BANK

For the natural persons shareholders who do not fall under points A. and B.1, or who have not requested the payment by bank transfer, the payment of dividends shall be made in cash at the counters of Banca Transilvania (Paying Agent), starting with 29.05.2020.

The list of Banca Transilvania units is available at https://www.bancatransilvania.ro/retea_unitati/. The payments shall be made by any unit of Banca Transilvania, the dividend payment schedule being within the schedule of such bank units.

The Paying Agent shall not pay the dividends at the counter in the following cases:

- to the shareholders whose Personal Identity Number from the documents presented at the counter do not match the information registered in the Shareholders Register. They shall be sent to Depozitarul Central;
- to the heirs of the shareholders only after, in advance, they will request the Central Depository S.A. registration of the transfer of shares as an effect of the succession;
- in any other exceptional situation, which does not fall within the situations provided in this procedure. The shareholders shall be sent to Depozitarul Central.

Any modification of the data in the Shareholders Register shall be made exclusively by Depozitarul Central S.A. (Office: Bucharest, 34-36 Blvd. Carol, floors 3, 8, 9, District 2), upon the request of the shareholder / entitled person.

The documents presented in a foreign language shall be accompanied by the legalized translation into Romanian, and if they are sent by a foreign authority, they must bear an apostille or to be legalized, as the case may be.

I. The payment of dividends in cash, through the Paying Agent –Banca Transilvania, to the resident shareholders – natural persons who come in person to the counter, shall be made based on the identity card, specifying the personal identity number (CNP). The identification made by the Paying Agent for the holders shall be made exclusively based on the CNP.

II. The payment of dividends in cash, through the Paying Agent - Banca Transilvania, to the non-resident shareholders – natural persons, who come in person to the counter, shall be made exclusively based on the Passport, mentioning the series and the number.

III. The payment of dividends in cash, through the Paying Agent –Banca Transilvania, to the natural person shareholders under the age of 14 shall be made through the legal representative, mainly the parent / guardian of the minor, based on the following documents:

- the birth certificate of the holders, which must include the C.N.P., and a copy certified by the child's parent / guardian, as "*true copy of the original*"
- the legal act based on which the parental authority of the parent was established, in case it was not one of the parents, and a legalized copy of the document certifying the parental authority on the child, "*true copy of the original* "
- the identity card of the guardian / parent of the minor and a copy certified by the guardian / parent of the child, as "*true copy of the original*".

IV. The payment of the cash dividends, through the Paying Agent - Banca Transilvania, to the natural person shareholders who is under a trustee, based on the following documents:

- the identity card of the holders, which must specify the C.N.P., and a copy certified by the trustee as "*true copy of the original*"
- the legal act establishing the trustee and the trustee certificate copy "*true copy of the original* "
- the identity document of the trustee and the copy certified by the trustee as "*true copy of the original*".

V. The payment of cash dividends, through the Paying Agent - Banca Transilvania, to the natural person shareholders does not come in person at the counter, but mandates another person in this respect, shall be made to the proxy of such person, based on the following documents:

- the special power of attorney authenticated by the notary public, which includes the right to withdraw the amounts, issued with no more than 3 years before the date on which the payment is made, unless the power of attorney has a valid validity of 3 years, valid on the payment date and a copy certified by the proxy as *“true copy of the original”*
- the identity document of the authorized person and a copy certified by the authorized person as *“true copy of the original”*.

C. MANAGEMENT OF SPECIAL SITUATIONS

I. For the shareholders whose net dividend has a value of less than 1.50 lei, they can take possession of the due dividends starting with 29.05.2020, as follows:

Cash payment at the headquarters of Mecanica Ceahlau S.A. from Piatra Neamț, 6 Dumbravei Street, for natural or legal shareholders (based on a written request accompanied by a copy of the identity document or the registration certificate and company’s details certificate) ;

Company MECANICA CEHLAUS.A.
CA President
Trifa Aurelian-Mircea-Radu