



TURBOMECHANICA

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European Unique Identifier (EUID) [ROONRC.J40/533/1991](#)

Commerce Registry Code J40/533/1991

Tax Code RO3156315 Unique Registration Code 3156315

Subscribed share fully paid capital 36,944,247.50 RON

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No.20/21.06.2019

PROCEDURE

concerning the payment of dividends for the year 2018 by Turbomecanica S.A.

Following the decision of the Ordinary General Meeting of Shareholders (“OGMS”) of TURBOMECHANICA S.A. dated April 25th, 2019, Turbomecanica S.A. announces the payment of dividends for the financial year 2018 through the Central Depository S.A. (“Depozitarul Central”) and BRD - Groupe Société Générale (“BRD”) – selected payment agent – starting with July 19th, 2019 (“Payment Date”), to the shareholders of Turbomecanica S.A. listed in the Shareholders’ Registry maintained by Depozitarul Central S.A. on registration date June 28th 2019 (“Registration Date”).

The gross value of dividend per share is lei 0,04, where applicable any withholding tax payable will be deducted, at the legal rate.

Dividends payment methods:

1. Through Participants (Custodian Banks or Brokers): Individuals and legal entities/other entities having accounts opened with a Participant (respectively, an intermediary participating in the clearing-settlement and registry system of the Central Depository):

For shareholders that are individuals, legal entities or other entities who, on the Registration Date, hold shares highlighted in Section II in Turbomecanica S.A. Shareholders Registry in an account opened with the Participant, the dividends will be automatically paid by bank transfer via the Central Depository into the Participant’s account at the Payment Date. The payment option is the option expressed by non-resident shareholders who have an account opened with a Participant which is communicated to the Central Depository by the Participant as part of the reporting from the Registration Date, in compliance with the applicable legal regime, regarding:

a) payment of dividends with deduction of dividend tax at the standard rate provided by the Romanian Fiscal Code, in force at the Payment Date;

b) Payment of dividends with deduction on dividends duly withheld , as per a Double Taxation Conventions, based on complete and accurate fiscal documentation, submitted in advance by the shareholder and received by the issuer, until 12th July 2019;

Non-resident shareholders with an account opened with a Participant (Custodian Bank or Broker) who want to apply for application of the more favourable provisions of a Double Taxation Conventions concluded between Romania and their country of residence or the more favourable provisions applicable to non-resident pension funds (as defined in legislation of that EU Member State or of that EFTA State), must submit a valid fiscal residence certificate through their Participant, for the year in which the dividend is paid, within the validity period, in original or legalized copy, with apostille/super legalization if the case, accompanied by an authorized translation, and also contact details for possible clarifications regarding the fiscal residence certificate (in the case of non-resident pension funds, documents set forth in item 2.2. in Annex 1 concerning non-resident pension funds shall also be submitted):

- until July 12th , 2019, at TURBOMECANICA S.A. address in Bucharest, 244 Iuliu Maniu Blvd., 6th district, mentioning “Dividends 2018”. TURBOMECANICA S.A. is not responsible for non-application of aforesaid favourable tax treatment if documents and / or possible clarifications requested are not submitted in due time.

In the case of non-resident shareholders represented by a Participant, TURBOMECANICA S.A. shall withhold the tax on dividend from the gross dividend at the standard tax rate in force provided by the Romanian Fiscal Code if:

- The shareholder did not sent complete and correct tax documents (including documents set forth under Annex 1 point 2.2., regarding non-resident pension funds) and any related clarifications requested, until June 12th , 2019.

2. Only for payments through bank transfer as per shareholder’s request addressed directly to the Central Depository

Starting with 2015 dividends payment, the Central Depository provides all shareholders not represented by Participants with the possibility to receive any due amount of money through bank transfer into a bank account, irrespective of the issuer distributing such money, and such option remains valid for future distribution unless expressly notified otherwise. In order to benefit of this payment method, shareholders are invited to contact directly the Central Depository using phone numbers 021.408.58.41 or 021.408.59.56 or 021.408.59.56, fax. 021/408.58.14 and / or the e-mail address: dividende@depozitarulcentral.ro

3. Through the payment agent – BRD Groupe Societe Generale

i. In cash: only for private individuals who do not have a bank account opened with a Participant or have had not indicated a bank account to Central Depository: at BRD cash desks, in any BRD unit

For private individual shareholders who do not fall under item 1 and 2, dividend payment shall be made in cash at BRD cash desks, in any BRD unit. The list of BRD units is available at website <http://www.brd.ro/agentii-si-atm-uri> or TURBOMECANICA S.A. website:

<http://www.turbomecanica.ro>. Payments in cash shall be made within limits set forth by applicable legislation.

ii. Through bank transfer: private individuals and legal entities / other entities who do not have a bank account opened with a Participant and who have had not indicated a bank account to Depozitarul Central:

Private individuals and legal entities / other entities who intend to receive payment of dividends through bank transfer may request to BRD the payment by bank transfer, by submitting to BRD cash desks the supporting documents set forth in **Annex 1, point 1**.

All documents submitted to the bank's cash desks shall be certified as true copy.

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For non-resident shareholders who opt for payment methods shown in items 2 and 3 (respectively who do not have an account opened with a Participant and did not specified a bank account with the Central Depository):

For payments made through bank transfer / in cash on the Payment Date (19.07.2019) in case of non-resident shareholders who do not have an account opened with a Participant and who want to invoke for the application of the more favourable provisions of a Double Tax Treaty concluded between Romania and their country of residence or the more favourable provisions applicable to non-resident pension funds (as defined in the legislation of that EU Member State or of that EFTA State), tax documents must be received until July 12th, 2019 at TURBOMECANICA S.A.'s address at Bucharest, 244 Iuliu Maniu Blvd., 6th district, mentioning "Dividends 2018". Payment through bank transfer / in cash performed on the Payment Date (19.07.2019) shall be made by BRD provided all documents requested for payment, as set forth herein, are submitted.

After the Payment Date, BRD shall pay net dividends within two working days after reception by BRD of the application for bank transfer payment, accompanied by full and accurate supporting documents and any possible clarifications requested. The date when shareholder's bank account is actually credited depends on the inter-bank business and on the chain of correspondent banks.

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Fees applied by BRD and Central Depository for payment of net dividends in RON are borne by TURBOMECANICA S.A.

Payment of net dividends due to TURBOMECANICA S.A. shareholders for 2018 financial exercise is subject to general provisions concerning prescription, being prescribed any payment request made after July 19th, 2022, respectively within 3 (three) years after July 19th, 2019.

BRD and Central Depository, as the case may be, reserve the right to request from the shareholder / corresponding attorney additional documents following applications for payment of TURBOMECANICA S.A. dividends. Additional data on dividend payment procedure may be requested from:

- Payment agent BRD at e-mail address titluri@brd.ro or phone numbers: +4 021 200 8372, +4 021 200 8387.

- Central Depository, at e-mail address dividende@depozitarulcentral.ro or phone numbers: +4 021.408.58.56, +4 021.408.59.23.

- For any other questions concerning TURBOMECANICA S.A. dividends or shares, please contact Investor Relations Department of TURBOMECANICA S.A. at phone number 0724200288.

Eng. Radu VIEHMANN

Ion Dinca

President of the Board, General Manager

Financial and Commercial Director

Annex 1 – Supporting documents for dividend payment

1. PAYMENTS THROUGH THE PAYMENT AGENT BRD Groupe Societe Generale

INDIVIDUALS

1.1 In case of resident individuals presenting in person to the BRD branches, the dividend payment shall be made based on the identity document bearing the personal identification number (P.I.N.);

1.2 In case of non-resident individuals presenting in person at the BRD branches the payment of dividends shall be made upon presentation of a document which identifies the shareholder having submitted data that must comply with the shareholder who is registered in the records of the Depozitarul Central;

1.3 In case of individuals under 14 years age, the payment of dividends shall be made through the respective legal representative – tutor/parent of the minor, based on the following documents: the identity document of the tutor/parent of the minor bearing the personal identification number (P.I.N.) + 1 certified as a „true copy” photocopy (the photocopy will be retained by the Payment Agent), shareholder’s birth certificate bearing the P.I.N. + 1 certified as a „true copy” photocopy (the photocopy will be retained by Payment Agent) the legal document establishing tutorship where the tutor is not a parent + 1 certified as a „true copy” photocopy (the photocopy will be retained by Payment Agent);

1.4 In case of individuals under guardianship, the payment of dividends shall be performed through the respective guardian, based on the following documents: the identity document of the curator bearing the personal identification number (C.N.P.) + 1 certified as a „true copy” photocopy (the photocopy will be retained by the Payment Agent), shareholder’s identity document bearing the personal identification number (P.I.N.) + 1 certified as a „true copy” photocopy (the photocopy will be retained by Payment Agent);

1.5 In case of shareholders who do not present in person, but they are empowering a different person for such purposes, the dividends shall be paid to the respective empowered person based on the following documents: special power of attorney notarised by a notary public, which contains the mandate to receive the distributed amount, issued by no more than 3 years before the payment date, except where the power of attorney has a duration of more than 3 years and is still valid on the date of payment + 1 certified as a „true copy” photocopy (the photocopy will be retained by Payment Agent) and the identity document of the representative bearing the personal identification number (P.I.N.) + 1 certified as a „true copy” photocopy (the photocopy will be retained);

LEGAL ENTITIES

Legal entities shareholders through legal or appointed representatives shall present:

- A copy of the registration certificate - certified as a “true copy” by the legal representatives;
- A copy of the document attesting the capacity of legal representative of the company (certificate of status issued by the Trade Register/the equivalent entity – for foreign entities) - certified as a “true copy” by the holder;
- A copy of the documents attesting the capacity as a conventional representative of the signatory of the request, if applicable - certified as a “true copy” by the holder;
- Bank account excerpt or another original document (signed and stamped) whereby the bank certifies the existence of the account in the name of the shareholder – legal person and indicating the related IBAN code.

Note 1: In case of co-owners, the payment will be processed under condition that all the co-owners present themselves at BRD, in person or by legal or conventional representative.

Note 2: The documents in a foreign language shall be submitted with a certified Romanian translation, and documents in a foreign language issued by a foreign authority shall be apostilled/super legalized, as applicable.

Note 3: The paying agent will be able to make cash payments in amounts fixed according with the applicable legislation.

Note 4: In case of payments by bank transfer to other banks than BRD, to above documents are attached the bank statement certified by the bank who requested the transfer of the dividends or supporting document issued by the bank which establishes the bank account holder mentioned above. The account holder can only be shareholder or, if applicable, his representative. The form „Request for the payment of dividends by bank transfer” and the supporting documents will be submitted to the BRD branches starting 09.06.2017.

Exceptions:

There will be no net dividend payments at the counter in the following cases:

- The shareholders whose P.I.N. from identity documents presented to the BRD branches are not in accordance with the records of the Payment Agent received from Depozitarul Central. They will be guided to Depozitarul Central.
- The heirs of shareholders, based on the inheritor certificates. They will be guided to Depozitarul Central.

In the case of pension funds shall be communicated to the Issuer the following documents:

- A copy of the valid identification document of the legal representative of the fund’s management company, within its validity period – identity card with P.I.N. for Romanian citizens or passport with registration number for foreign citizens;
- A copy of the certificate of status of the fund’s management company/other equivalent document issued no more than 3 months before, indicating the legal representative of the fund’s management company;
- Copy of the registration certificate/other equivalent document of the fund’s management company;
- Copy of the regulatory authority’s decision authorizing the pension fund and its management company

- In the case of non-resident pension funds: the tax residence certificate, in original or legalized copy, apostilled/super legalized, if the case, and accompanied by a Romanian authorized translation, an affidavit whereby the legal representative of the fund's management company declares that the authorization of the pension fund and its management company is valid as at the payment date, for pension funds as defined under the legislation of the EU or EFTA Member State, and, if available, information with regard to an official website of the regulatory authority of the country of origin where the status of the pension fund can be verified.

The documents in a foreign language shall be submitted with a notarised Romanian translation, and documents in a foreign language issued by a foreign authority shall be apostilled/super legalized, as applicable.

3. Co-ownership shares

The payment of dividends for co-ownership shares shall be performed as follows:

3.1. In case of payments by bank transfer, the dividends payable to co-owners shall be paid in the bank account indicated by all the shareholders under the common request submitted to BRD.

3.2. Cash payments shall be disbursed provided that all the co-owners present themselves at BRD, in person or by legal and/or conventional representative and submit the above mentioned documents for cash payments.

3.3. In case of payments to shareholders with an account opened with the Participant, the dividends payable to the co-owners shall be paid to the relevant Participant.

3.4. Where the co-owners request both the registration by the Depozitarul Central of the direct transfer of ownership over the financial instruments following the termination of the co-ownership pursuant to the applicable legal provisions, and the direct payment to each of the co-owners proportionally with the number of shares under exclusive ownership, the Depozitarul Central shall block the payment of dividends, and the dividends shall be paid to each former co-owner in accordance with this procedure.

4. Deceased shareholders

4.1. Where the Shareholders' Registry contains individuals who are deceased as at the Registration Date, the dividends shall be paid only after the request by the heir(s) and registration by the Depozitarul Central of the direct transfer of ownership over the financial instruments as effect of the inheritance, pursuant to the legal provisions in force.

Eng. Radu VIEHMANN

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President of the Board, General Manager

Financial and Commercial Director