

## AD HOC REPORT

In accordance with Law no. 24/2017 and NSC Regulation no. 1/2006

Date of report: **27.04.2018**

Name of issuer: **TERAPLAST S.A.**

Headquarters: **Teraplast Industrial Park, DN 15A, KM 45+500, Bistrita-Nasaud County**

Telephone/Fax: **0263/238.202/0263/231.221**

Trade Register No: **J06/735/1992**

Sole registration number at the Trade Register Office: **RO3094980**

Share capital: **85.691.044,2 lei**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange**

### Important events to be reported :

On April 27th 2018, starting with 16:30 PM, respectively 17:00 PM, at Company's headquarters took place the Ordinary and the Extraordinary General Meeting of Shareholders, which was legally and statutory constituted at first convocation. During this meeting participated in person, through power of attorney and also through voting by correspondence, the shareholders registered in the Shareholders Register held by Central Depository, at April 16th 2018, established as a reference date, the quorum consisting of 65,50%, from the total of 853.339.328 voting rights related to the 856.910.442 shares issued by the Company.

In order to ensure a complete and correct information of shareholders and potential investors, we reproduce the content of the decisions of the Extraordinary General Meeting of Shareholders of the Company TERAPLAST S.A:



**DECISION no. 1 dated April 27<sup>th</sup>, 2018**  
**of the Ordinary General Meeting of Shareholders of TERAPLAST S.A.**

In pursuance of art.111 and the following of Companies Law 31/1990 as amended to date, of the Articles of Association of TERAPLAST S.A., of Law no. 24/2017, and the NSC Regulation no. 1/2006 amended by NSC Regulation no. 31/2006, the Ordinary General Meeting of Shareholders of the company TERAPLAST S.A., headquartered outside the built-up area of Bistrita municipality, at Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, registered at the Trade Register under no. J06/735/1992, VAT no. 3094980, held on April 27<sup>th</sup> 2018 at the company's headquarters, at 4:30 pm, in a quorum of 65,50% of the total 853.339.328 voting rights corresponding to the 856.910.442 shares issued by TERAPLAST S.A., representing a total number of 558.900.938 votes expressed,

**DECIDES**

***On the items of the agenda as follows:***

1. Approves the Report of the Board of Administration on the individual and consolidated financial situations for the 2017 financial year.

**Voting structure: 100% for, 0% against, 0% abstention**

2. Records the Report of the financial auditor ERNST & YOUNG ASSURANCE SERVICES S.R.L on the individual and consolidated financial statement for the 2017 financial year.

**Voting structure: 100% for, 0% against, 0% abstention**



TeraPlast



TeraSteel



TeraGlass  
windows & doors



wetterbest



TeraPlast  
LOGISTIC



TeraPlast  
Hungary



TeraSteel  
Serbia

3. Approves the individual financial situations for the 2017 financial year, based on the Report of the Board of Directors and the Report of the Company's financial auditor.

<u>Description</u>	<u>2017 (RON)</u>
Revenues total –out of which:	227,365,686
<i>Revenues from sale of finished products</i>	198,543,629
<i>Revenues from the sale of merchandise</i>	27,466,652
<i>Revenues from service rendering</i>	1,355,405
Other operating income	466,801
Changes in inventories of finished goods and work in progress	5,481,277
Raw materials, consumables used and merchandise	(163,354,194)
Employee benefit expenses	(21,449,503)
Expenses with impairment adjustments and amortization	(14,241,866)
Adjustments for the depreciation of current assets, net	(1,806,232)
Provisions, net	2,100,468
(Gains)/ Losses from the outflow/valuation of tangible and intangible assets	71,276
Gains from the fair value measurement of investment properties	144,867
Other expenses	(28,270,805)
<b>Operating result</b>	<b>6,507,775</b>
Financial expenses	(3,825,616)
Financial income	12,081,008
<b>Profit before tax</b>	<b>14,763,167</b>
Income tax expense	(647,222)
<b>Profit for the year</b>	<b>14,115,945</b>
<b>Other comprehensive income</b>	
Reserves from business transfer	2,909,081
Impact of deferred tax	(465,453)
<b>Other comprehensive income, net, not classified in profit or loss in subsequent periods</b>	<b>2,433,628</b>
<b>Total comprehensive income</b>	<b>16,559,573</b>

**Voting structure: 100% for, 0% against, 0% abstention**

4. Approves the proposal regarding the distribution of the net profit for the 2017 financial year, as follows:

Net profit to be distributed: 14.115.945 lei;

Legal reserves: 661.151 lei;

Dividends distribution: 10.069.404 lei, proposed gross dividend/share being 0.0118\* lei;

Retained earnings 3.385.390 lei

*\*When calculating the gross value of the dividend/share, was taken into account the number of shares issued by the company, out of which a number of 3.571.114 shares fell (shares that Teraplast S.A. has redeemed and holds at the date of the present document, on the basis of the stock option plan approved by the EGMS Decision no.1 of 21.09.2017).*

**Voting structure: 100% for, 0% against, 0% abstention**



5. Approves the consolidated financial statements for the 2017 financial year, according to the Report of the Board of Directors and the Report of the Company's financial auditor.

<u>Description</u>	<u>2017 (RON)</u>
Revenues total, out of which:	422,270,070
Revenues from sale of finished products	378,858,930
Revenues from the sale of merchandise	42,165,328
Revenues from service rendering	1,245,812
Other operating income	3,764,366
Changes in inventories of finished goods and work in progress	11,026,505
Raw materials, consumables used and merchandise	(313,344,060)
Employee benefit expenses	(40,348,001)
Amortization and the adjustments for impairment of non-current assets, net	(19,100,355)
Adjustments for the impairment of current assets, net	(1,481,591)
Reversed provisions, net	2,614,451
Gains/(Losses) from the outflow/valuation of tangible and intangible assets	82,367
Gains from the outflow/fair value measurement of investment properties	335
Other expenses	(41,256,634)
<b>Operating result</b>	<b>24,227,453</b>
Financial expenses	(5,075,283)
Expenses on interest, net	(2,560,186)
Financial income	4,016,149
Dividend revenues	81,045
<b>Financial result</b>	<b>(3,538,275)</b>
Share of the result of joint ventures accounted for under the equity method	574,147
<b>Profit before tax</b>	<b>21,263,325</b>
Income tax expense	(2,693,989)
<b>Profit for the year</b>	<b>18,569,336</b>
<b>Profit or loss for the period</b>	
Attributable to	
Parent entity equity holders	18,236,827
Non-controlling interests	332,509
<b>Result for the financial year</b>	<b>18,569,336</b>
<b>Comprehensive income for the year</b>	
Attributable to	
Parent entity equity holders	18,236,827
Non-controlling interests	332,509
<b>Total comprehensive income</b>	<b>18,569,336</b>

**Voting structure: 100% for, 0% against, 0% abstention**

6. Approves the discharge of the Company's Board of Directors for the 2017 financial year.

**Voting structure: 28,26% for, 0% against, 71,74% abstention**

**(the abstaining votes are given by the Directors, who are also shareholders)**



7. Approves the Budget of Revenues and Expenses for the 2018 financial year.

Profit and Loss Account	Ron 000's
Turnover	332,267
Raw materials and merchandise expenses	227,732
Contribution margin on raw materials	104,536
Operating expenses, out of which:	90,615
Depreciation and amortization expenses	17,621
Operating profit	13,921
Financial result	8,053
Earnings before taxes	21,974

**Voting structure: 100% for, 0% against, 0% abstention**

8. Approves the Investment Program for the 2018 financial year

**Voting structure: 100% for, 0% against, 0% abstention**

9. Approves the proposal of keeping the level of the remuneration for the members of the Board of Directors for the 2018 financial exercise to the same net level as in 2017 financial exercise. The remuneration thus established shall remain valid until the next ordinary general meeting approving the amount of the administrators' remuneration.

**Voting structure: 97,82% for, 0% against, 2,18% abstention**

10. Approves the payment to the Company's Board of Directors of a difference of indemnity resulting from the monthly indexation of 19.9% of the gross remuneration established by the administration contract for the period between 01.01.2018 and the date of the ordinary general meeting approving the amount of the administrators' 2018, so as to ensure to administrators, for the period in question, the same level of net indemnities as before the entry into force of GEO no. 79/2017 for amending and completing the Law no. 227/2015 regarding the Fiscal Code.

**Voting structure: 100% for, 0% against, 0% abstention**

11. Elect Mr. Adrian Moldovan as an independent member for the Audit Committee, for a mandate equal to that of the Board of Directors in accordance with Article 2 (12) (A) of Title I, Chapter I, Law 162/2017 and Article 65 of Title I, Chapter IX, Law 162/2017;

**Voting structure: 89,79% for, 10,21% against, 0% abstention**

12. Establishes the date of **June 11th, 2018 as the registration date** when the shareholders affected by the decisions adopted by the Ordinary General Meeting of Shareholders shall be identified.

**Voting structure: 100% for, 0% against, 0% abstention**

13. Approves the date of **June 08th 2018 as “ex-date”**, namely the date previous to the registration date when the financial instruments, subject of the decisions of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to Article 2 letter f) of the Regulation no. 6/2009 on the exercise of certain rights of the shareholders within the general meetings of the trading companies, as amended and completed by Regulation no. 13/2014 on the amendment and completion of certain regulations issued by the Security National Board (hereinafter referred to as NSC Regulation no. 6/2009).

**Voting structure: 100% for, 0% against, 0% abstention**

14. Approves the date **June 29th 2018 as payment day**, as defined by the art. 2, letter g) of NSC Regulation No. 6/2009 and by art. 129, ind.3, alin 2 of the NSC Regulation no.1/2006 regarding issuers and operations with securities.

**Voting structure: 100% for, 0% against, 0% abstention**

15. Empowers the Board of Directors to fulfill the decisions adopted by the Ordinary General Meeting of Shareholders.

**Voting structure: 100% for, 0% against, 0% abstention**

16. Authorizes Mr. Dorel Goia - Chairman of the Board of Directors, to sign, for and on behalf of all the shareholders present at the meeting, the OGMS Decision.

**Voting structure: 100% for, 0% against, 0% abstention**



17. Authorizes the company's legal adviser, Mrs. Diana Octavia Brețfelean, holder of ID card series X.B. no. 515915, to do everything that is necessary as to record the OGMS Decision at the Trade Register of Bistrita-Nasaud Court, and to publish such decision in the Official Gazette of Romania, Section 4.

**Voting structure: 100% for, 0% against, 0% abstention**

**DECISION no. 1 dated April 27<sup>th</sup>, 2018 of the Extraordinary General Meeting of Shareholders of  
TERAPLAST S.A.**

In pursuance of art.113 and the following of Companies Law 31/1990 as amended to date, of the Articles of Association of TERAPLAST S.A., of Law no. 24/2017, and the NSC Regulation no. 1/2006 amended by NSC Regulation no. 31/2006, the Extraordinary General Meeting of Shareholders of the company TERAPLAST S.A., headquartered outside the built-up area of Bistrita municipality, at Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, registered at the Trade Register under no. J06/735/1992, VAT no. 3094980, held on April 27<sup>th</sup> 2018 at the company's headquarters, at 5:00 pm, in a quorum of 65,50% of the total 853.339.328 voting rights corresponding to the 856.910.442 shares issued by TERAPLAST S.A., representing a total number of 558.900.938 votes expressed,

**DECIDES**

***On the items of the agenda as follows:***

1. Authorizes the increase of the share capital of the Company, with a maximum of 21.450.000 lei, up to the maximum amount of 107.141.097 lei, representing authorized capital, by delegating to the Board of Directors, for a period of 12 months, the exercise of its competencies regarding the increase of the share capital, based on the provisions of art. 114 paragraph (1) - (2), and of art. 2201 of Law no. 31/1990, the provisions of art. 85 of the Law no. 24/2017 and the provisions of art. 9 paragraph (2) of the Articles of Association of the company, under the following conditions:
  - The newly issued shares will be distributed free of charge to all shareholders of the company registered in the Register of Shareholders at the registration date to be determined by the Board of Directors;
  - The capital increase will be made to support the current activity of the company;
  - Each shareholder registered in the Register of Shareholders at the registration date (which will be determined by the Board of Directors by the decision approving all the details of the increase of the share capital) will be allocated a number of 1 free share to 4 shares held;



- The increase of the share capital will be made by incorporating the reserves set up in the previous years.

**Voting structure: 100% for, 0% against, 0% abstention**

2. Authorizes the company's Board of Directors to perform any and all formalities necessary to carry out the fulfillment of item 1 of this agenda of the Extraordinary General Meeting of Shareholders, including but not limited to: initiating, developing (including setting out the date of payment, setting out the registration date - the date that serves to identify the shareholders over whom the effects of the capital increase will be reflected, setting the ex-date, establishing the exact value with which the share capital is increased, determining the price at which the fraction of shares resulting from the application of the algorithm and the rounding of the results will be compensated), completing, registering and operating the increase of the share capital, the corresponding modification of the Company's Articles of Association, the drafting and signing of all documents and the fulfillment of any formalities for the implementation and registration of the increase of the share capital to the competent authorities.

**Voting structure: 100% for, 0% against, 0% abstention**

3. Approves the updating of the Company's Articles of Association in accordance with those approved at item 1 above, as follows:

**Art. 9. par. (4) shall be inserted and shall have the following content: "The Board of Directors is authorized by the Articles of Association, for a period of 12 months from the date of completing the Articles of Association with this article, to increase the share capital of the Company with a value of maximum 21.450.000 lei, up to the maximum amount of 107,141,097 lei, representing authorized capital."**

**Voting structure: 100% for, 0% against, 0% abstention**

4. Approves the total value of 185.000.000 lei as the maximum limit of indebtedness that the company can contract in the 2018 financial year and the approval of the warranty of credit and/or leasing contracts which are going to be accessed within the limit established, with security interest in real estate/pledge, assignments of current and future receivables rights, assignments related to current and future cash, resulting from current accounts and assignments of rights resulted from the insurance policies.

**Voting structure: 100% for, 0% against, 0% abstention**



5. To authorise the Board of Directors to take, for and on behalf of the Company, all the actions and steps required or useful for the enforcement of item 5 of this decision, up to the maximum agreed limit of indebtedness. Therefore, the Board of Directors shall issue decisions on: taking out bank loans, entering into credit/leasing contracts, extending the bank loan/leasing contracts, establishing the security structure corresponding to the taken out/extended bank loan or leasing contracts, restructuring/establishing new maturity dates for the granted loans, changing the structure of the securities for the pending loans, authorising the persons entitled to sign for and on behalf of TERAPLAST S.A. the bank loan contracts / the leasing contracts / the security contracts / the addendums to the bank loan/leasing contracts, and also any other complementary documents or instruments related to or referred to in the bank loan/leasing contracts, security contracts or any other documents, and also to sign any other forms and requests that might be necessary or useful in relation to such bank transactions.

**Voting structure: 100% for, 0% against, 0% abstention**

6. Establishes the date of **June 15<sup>th</sup>, 2018 as the registration date** when the shareholders affected by the decisions adopted by the Extraordinary General Meeting of Shareholders shall be identified.

**Voting structure: 100% for, 0% against, 0% abstention**

7. Approves the date of **June 14<sup>th</sup>, 2018, as “ex-date”**, namely the date previous to the registration date when the financial instruments, subject of the decisions of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to Article 2 letter f) of the Regulation no. 6/2009 on the exercise of certain rights of the shareholders within the general meetings of the trading companies, as amended and completed by Regulation no. 13/2014 on the amendment and completion of certain regulations issued by the Security National Board (hereinafter referred to as NSC Regulation no. 6/2009).

**Voting structure: 100% for, 0% against, 0% abstention**

8. Authorizes the Board of Directors to enforce the decisions adopted by the Extraordinary General Meeting of Shareholders.

**Voting structure: 100% for, 0% against, 0% abstention**



9. Authorizes the Chairman of the Board of Directors, Mr. Dorel Goia, to sign, for and on behalf of all the shareholders present at the meeting, the EGMS Decision.

**Voting structure: 100% for, 0% against, 0% abstention**

10. Authorizes the company's legal adviser, Mrs. Diana Octavia Bretfelean, holder of ID card series X.B. no. 515915, to do everything that is necessary as to record the EGMS Decision at the Trade Register of Bistrita-Nasaud Court, and to publish such decision in the Official Gazette of Romania, Section 4.

**Voting structure: 100% for, 0% against, 0% abstention**

**Chairman of the Board of Directors**

**Dorel Goia**

For additional information please contact us at the phone number 0752-101.571, e-mail: [diana.bretfelean@teraplast.ro](mailto:diana.bretfelean@teraplast.ro), contact person Diana Bretfelean – Legal Adviser.

