

AD HOC REPORT

In accordance with Law no. 297/2004 and NSC Regulation no. 1/2006

Report date: **May 25th 2017**

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: **56,643,266 lei**

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

Major events to be reported

- a) Changes in the control over the company – **N/A**
- b) Substantial acquisitions and alienations of assets – **N/A**
- c) Bankruptcy – **N/A**
- d) Transactions as listed in art. 225 of Law 297/2004– **N/A**
- e) **Other events**

The Board of Directors of Teraplast SA informs the shareholders and the potential investors regarding the decision to contract from Banca Transilvania investment loans and credit line in total amount of LEI 51,606,480.

In order to ensure a complete and accurate information of the shareholders and potential investors, we reproduce the decision taken by the Board of Directors of Teraplast SA:

DECISION

of the Board of Directors of Teraplast SA.

J06/735/1992, RO 3094980

No. 25, dated May 24th 2017

According to the provisions of the art. 153^A20 and Companies Law No. 31/1990, republished, the provisions of the Capital Market Law No. 297/2004 on the capital market and the Regulation No.1/2006 of NSC regarding issuers and operations with securities, modified by the Regulation No. 31/2006 of NSC and Art. 18.4, paragraph (7) of the Articles of Association of Teraplast SA, headquartered in Bistrita, Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, registered with the Trade Registry Office under No. J06/735/1992, VAT registration No. 309498, in the May 24th 2017 on-line meeting attended by all Board members:

Considering:

- a. The EGMS decision no. 1 dated April 27th 2017, by which it was approved::

- The value of 135,000,000 lei, as the maximum limit of indebtedness that the company can contract in the 2017 financial year, including 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.

- The empowering of the Board of Directors that, up to the maximum limit of indebtedness approved, it should accomplish, in the name of and for the Company, all the actions and steps necessary or useful in order to fulfill those approved at point 3 from the present decision. In this regard, the Board of Directors shall issue decisions on: accessing some bank credits, concluding some credit/leasing contracts, extending the bank credit/leasing contracts accessed, establishing the warranty structure for the credit/leasing contracts accessed/extended, restructure/reschedule of the credits granted, change of structure of the warranties of the existing credits in balance, empowering the persons who will sign in the name of and for the Company TERAPLAST S.A. the credit contracts/leasing contracts /warranty contracts /additional acts to the credit/leasing contracts, as well as any other documents or instruments which are accessory, related to or to which reference is made in the credit/leasing contracts, warranty contracts or any other documents as well as to sign any other application forms, requests which might be necessary or useful regarding these bank transactions.

b. Company's intention to contract from Banca Transilvania, as Commercial Agreement, multi company and multi-currency (lei and euro) – o credit line in which, with respecting the maximum limit of indebtedness will be available the following financing types: investments loan, credit line for financing the current activity;

After deliberations, the Board of Directors, with the favorable vote of all its members,

DECIDES

1. Approves the company to contract from Banca Transilvania investments loans and credit lines, in total value of 51,606,480 lei, as follows:

- a. Global limits of exploitation available as credit line in total value of 27,950,000 lei;
- b. Investment loans in value of 17,356,480 lei;
- c. Commercial agreement in value of 6,300,000 lei.

2. Approves the company Teraplast to certify the loans accessed by the subsidiaries, from Banca Transilvania, until the maximum value of 6,200,000 euro.

3. Approves the guarantee of the loans mentioned at point 1 and 2 with the following securities: mortgage on the receivables and inventories of finished products and/or raw materials; Mortgage on the cash ins from the company's current account; Mortgage on the equipment financed by the investment loans, mortgage on the some current and non-current assets, corporate guaranty issued by Teraplast S.A.;

For each type of loan mentioned at point 1 will be issued decisions regarding the securities structure.

4. Empowers Mrs. Pop Carmen-Mirela – Chief Executive Officer and Mrs. Orban Eniko-Edit - Chief Financial Officer to accomplish the following demarches:

- a) to negotiate, agree upon, conclude and sign in name and on behalf of TERAPLAST SA, the credit agreements / contracts of guarantee / addenda to credit contracts, and any other documents or instruments that are accessories that are related to or referenced in credit agreements, guarantees contracts or other documents and to sign any forms, applications that may be necessary and useful in connection with this bank transaction.
- b) if necessary, to negotiate, to agree, conclude and sign in the name and on behalf of the Company any subsequent addenda to the credit agreements, contracts of guarantee and any other document to which the company is a party, including signing the addendum to the

mortgage contracts, by which it will be updated the value of the contracts or it will be replaced the commercial contracts which result from the mortgaged.

- c) to fulfill in the name and on behalf of the Company any formalities necessary for such credit agreements / addenda, guarantees contracts and any other instruments that are accessories, to be fully valid and binding for the Company.

5. Empowers Mr. Goia Dorel – Chairman of the Board of Directors and Mrs. – Executive Director, to sign the present decision, in the name and on behalf of the Board of Directors.

6. Empowers the legal adviser, Mrs. Kinga Vaida, identified by ID series XB, No. 370326 and/or Mrs. Diana Bretfelean, identified by ID series X.B. no. 515915, to accomplish all formalities regarding registration of the Board of Directors Decision at the Trade Register of Bistrita-Nasaud Law Court.

The present decision was adopted and signed on May 24th 2017, in 4 (four) original copies.

Chairman of the Board of Directors

Dorel Goia

For additional information please contact the Investor Relations Department of Teraplast, phone 0752-101.639, e-mail: anca.rif@teraplast.ro, contact person Anca Rif – Investor Relations Manager.