

**AD HOC REPORT**

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

Report date: **February 5<sup>th</sup> 2016**

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: **28,887,588 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 inform its shareholders and potential investors about the decision to approve a „stock option plan” by which a number of Group employees will receive Teraplast SA (symbol TRP) shares, which will be purchased in the buy-back program approved by EGMS decision no. 1/07.12.2015. The shares of the „stock option plan” will be given to the beneficiaries for free. The minimum period after which the beneficiaries of the „stock option plan” can choose to receive free shares, cannot be less than 1 (one) year. The period in which the beneficiaries of the „stock option plan” can express their intention to receive free shares is 06.02.2017-07.02.2017. The employees of Teraplast Group which will have the right to receive shares in the „stock option plan”, can ask for Teraplast SA (TRP) shares in any moment prior to the exercise period defined in the „stock option plan”. In this case, the received shares will be assimilated with the salary income and their value and number will be recalculated keeping the following conditions:

- a) the value of the shares for which it was initially received the option right defined by stock option plan is equivalent with the complete salary cost, associated with the salary advantage received by the beneficiary in this case (including salary contributions due by employer and the employee);
- b) the employee will receive a number of shares equivalent with the net income value calculated in accordance with the Fiscal Code provisions, regarding the incomes and the benefits in nature.

**Sediul central:**

Parc Industrial Teraplast,  
DN 15A, km 45+500  
Cod. 427298, Jud. Bistrita-Nasaud  
Tel. 0263-238202, Fax. 0263-231221  
www.teraplast.ro

The General Meeting of Shareholders approved in the session of December 7<sup>th</sup> 2015 the purchase by the company Teraplast SA of its own shares in accordance with the legal provisions applicable to the following conditions: a maximum of 2,000,000 shares (0.69% of total shares composing the share capital) with a nominal value of 0.1 lei / share to a minimum price equal to the BSE market price from the moment of purchase and a maximum price of 1 leu / share, within a budget of 1,000,000 lei for a period not exceeding 18 months from the date of publication of the EGMS's Decision in the Official Gazette Part IV in order to implement a remuneration system to ensure compliance with the principle of long-term performance and a loyalty program for employees, respectively granting a mandate to Board of Directors for the fulfillment of that decision.

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. 5, dated February 4<sup>th</sup> 2016**

According to the provisions of the art. 153<sup>A</sup>20 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 on-line meeting attended by all Board members, namely: Magda Eugenia Palfi-Tirau, Dorel Goia, Emanoil Ioan Viciu, Razvan Stefan Lefter and Teofil-Ovidiu Muresan,

Considering the followings:

- a. The EGMS decision no. 1 from December 7<sup>th</sup> 2015, by which it was approved the purchase by Teraplast SA of its own shares in accordance with the legal provisions applicable to the following conditions: a maximum of 2,000,000 shares (0.69% of total shares composing the share capital) with a nominal value of 0.1 lei / share to a minimum price equal to the BSE market price from the moment of purchase and a maximum price of 1 leu / share, within a budget of 1,000,000 lei for a period not exceeding 18 months from the date of publication of the EGM's Decision in the Official Gazette Part IV in order to implement a remuneration system to ensure compliance with the principle of long-term performance and a loyalty program for employees, respectively giving a mandate to the Board of Directors in order to fulfill this decision.

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

**DECIDES**

1. Approves the „stock option plan” by which a number of Group’s employees will receive Teraplast SA (symbol TRP) shares, which will be purchased in the buy-back program approved by EGMS decision no. 1/07.12.2015. The shares of the „stock option plan” will be given to the beneficiaries for free. The minimum period after which the beneficiaries of the „stock option plan” can choose to receive free shares, cannot be less than 1 (one) year. The period in which the beneficiaries of the „stock option plan” can express their intention to receive free share is

06.02.2017-07.02.2017. The employees of Teraplast Group which have the right to receive shares in the „stock option plan”, can ask for the Teraplast SA (TRP) shares in any moment prior to the exercise period defined in the „stock option plan”. In this case, the received shares will be assimilated with the salary income and their value and number will be recalculated keeping the following conditions:

- a. the value of the shares for which it was initially received the option right defined by stock option plan is equivalent with the complete salary cost, associated with the salary advantage received by the beneficiary in this case (including salary contributions due by employer and the employee);
  - b. the employee will receive a number of shares equivalent with the net income value calculated in accordance with the Fiscal Code provisions, regarding the incomes and the benefits in king.
2. Empowers Mr. Dorel Goia, President of the Board of Directors and Mrs. Magda-Eugenia Palfi-Tirau – Nonexecutive Director, to sign the Board decision, which was adopted.
3. Empowers the legal adviser, Mrs. Carmen Ioana Mone, identified by ID series CJ, no. 070767, 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 February 4<sup>th</sup> 2016, in 4 (four) original copies.

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

**Chairman of the Board of Directors**

**Dorel Goia**

**Nonexecutive Director**

**Magda Eugenia Palfi-Tirau**

**Legal Advisor**

**Carmen Ioana Mone**

**Sediul central:**

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