

AD HOC REPORT

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

Report date: **January 05th 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**

Board of Directors of Teraplast SA inform its shareholders and potential investors about the decision to establish, as sole associate, a limited liability company in Serbia. The purpose of this action is to develop Teraplast's presence on the Serbian market and it is part of the company's strategy to increase the value of exports.

In order to provide a complete and accurate information for the shareholders and potential investors, we present the decision taken by the Board of Directors of the Company TERAPLAST SA:

DECISION

of the Board of Directors of the Company TERAPLAST S.A.

J06/735/1992, RO 3094980

No. 2 dated January 05th 2017

Pursuant to Art. 153[^]20 and the following from Law 31/1990 regarding the companies, with updated amendments, the provisions of law No. 297/2004 regarding the capital market and the NSC Regulation, No. 1/2006 regarding the issuers and the operations with securities, amended by NSC Regulation No. 31/2006, as well as Art. 18.4, paragraph (7) from the Articles of Association of TERAPLAST S.A., headquartered in the unincorporated area of Bistrita, Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, registered at the Trade

Register under No. J06/735/1992, with the Sole registration number at the Trade Register Office RO3094980, during the online meeting of January 05th 2017, which was attended by all board members,

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

DECIDES

1. Approves the establish by the Company Teraplast SA, acting as sole associate, of a limited liability company in Serbia, with a total share capital of EUR 10,000.
2. Approves of the participation of the Company Teraplast SA in the share capital of the company constituted according to paragraph 1 of this, with the amount of EUR 10,000, contribution to capital formation is exclusively in cash and will be fully paid at the foundation.
3. Approves the expenses associated with the company establish mentioned at the point 1 of the present.
4. In order to fulfill the provisions of art.1 and 2 of the present, mandating Mr. Alexandru Stanean, acting as Chief Executive Officer of the Company Teraplast S.A., to represent the Company Teraplast S.A. with the authorities of Serbia (including, without being limited to, the State Registration Chamber, the bank where the account is opened for registered capital etc.) in order to sign the Articles of Incorporation (or Statute) of the Company that is to be founded according to Art. 1 and 2 of this, and to sign any documents, to take the necessary steps for registration and operation of the new company, to the competent public and private enforcement bodies in Serbia. In the event Mr. Alexandru Stanean cannot fulfill his mandate hereby granted, he will empower, by power of attorney, a third person for representing the Company Teraplast SA in order to achieve those laid down by this.
5. Empowers Mr. Dorel Goia, Chairman of the Board of Directors, and Mrs. Magda-Eugenia Palfi-Tirau, Non-Executive Director, to sign in name and on behalf of Board of Directors this decision.
6. Empowers the legal adviser, Mrs. Kinga Vaida, identified by ID series XB, No. 370326 and/or Mrs. Diana Bretfelean, identified by ID series XB, no. 515915 to take all necessary steps in order to present and to register the decision of the Board of Directors at the Commercial Registry of Bistrita-Nasaud Tribunal.

The present decision was adopted and signed on January 05th 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.