

AD HOC REPORT

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

Report date: **June 22th 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: **37,762,177 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**

CONVENING NOTICE

General Meeting of Shareholders

Ordinary and Extraordinary

July 25th 2016

According to the provisions of the **art. 111, 113** and the **art. 117** from **Companies' Law 31/1990**, republished, the provisions of the Articles of Association, the Capital Market Law no. 297/2004 and the NSC Regulation No. 1/2006 regarding issuers and operations with securities, modified by the NSC Regulation No.31/2006 and the NSC Regulation No. 6/2009, **the Board of Directors of the Company TERAPLAST SA**, headquartered in Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, registered with the Trade Registry Office under number J06/735/1992, having the sole registration number at the Trade Register Office RO 3094980, in the board meeting dated **June 22nd 2016**, calls the **General Meeting of Shareholders - Ordinary and Extraordinary**, on **July 25th 2016**, which will hold its debates at the company's headquarters in Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, starting at **10:00 AM** for the Ordinary General Meeting, respectively at **10:30 AM** for the Extraordinary General Meeting. All shareholders registered in the Shareholders' Registry by the end of **July 14th 2016** set as reference date, are entitled to participate and vote.

Sediul central:

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

I. Ordinary General Meeting of Shareholders will have the following:

AGENDA

1. Approval of the financial auditor nomination, considering that in August 26th 2016 will end the mandate given to the financial auditor S.C. ERNST & YOUNG ASSURANCE SERVICES S.R.L.
2. Approval of the internal auditor nomination, considering that in August 31th 2016 will end the mandate given to the internal auditor S.C. GENERAL CONSULTING MGI SRL.
3. Approval of the duration for the financial auditor and internal auditor contracts.
4. Approval of the remuneration for the financial auditor and internal auditor.
5. Empowers Mr. Alexandru Stanean acting as CEO, and Mrs. Orban Eniko-Edit acting as CFO of the Company, to negotiate and to sign, in the name and on behalf of the shareholders, the contract of financial and internal audit.
6. Establishing the **registration date** which serves to identify the shareholders who will be affected by the decisions adopted by the General Ordinary Meeting of Shareholders. The date proposed by the Board of Administration is **August 12th 2016**.
7. Approval of the date **August 11th 2016** as „**ex-date**”, respectively the date previous to the registration date when the financial instruments, subject of the decision of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to art. 2 letter f) of Regulation No. 6/2009 regarding the exercise of certain rights of the shareholders within the general assemblies of the trading companies, amended and completed by Regulation no. 13/2014 regarding the amendment and completion of certain regulations issued by the Security National Board (herein referred to as NSC Regulation No. 6/2009).
8. Empowering the Chairman of the Board of Directors, Mr. Dorel Goia, to sign the OGMS decision, in the name and on behalf of the shareholders present at the meeting.
9. Empowering the legal adviser, Mrs. Bretfelean Diana, identified by ID series XB no. 515915, issued by the Police Department of Bistrita on 13.06.2016, to accomplish all formalities regarding registration of the OGMS Decision at the Commercial Registry of Bistrita-Nasaud Tribunal and to publish this decision in the Official Gazette of Romania, Part 4.

II. Extraordinary General Meeting of Shareholders will have the following:

AGENDA

1. Approval of the change of the Articles of Association, as follows:

Art. 20 alin.(2) „*The Ordinary General Meeting of Shareholders appoints the financial auditor, and the audit contract will be signed by the company by the Chief Executive Officer and the Chief Financial Officer.*

The Ordinary General Meeting of Shareholders appointed as financial auditor S.C. ERNST & YOUNG ASSURANCE SERVICES S.R.L, with the registered office in Bucharest, 63-69, Dr. Iacob Felix Street, district 1, incorporated with the Registrar of Companies attached to the Court of Law Bucharest under no. J40/5964/1999, fiscal code RO11909783, member of the Romanian Chamber of Financial Auditors, licence no. 77/15 august 2011, legally represented by Mr. Collins Garry Rex, as financial auditor of the Company.” **will modify and will have the following**

content:

„The Ordinary General Meeting of Shareholders appoints the financial auditor, and the audit contract will be signed by the company by the Chief Executive Officer and the Chief Financial Officer.”

2. Establishing the **registration date** which serves to identify the shareholders who will be affected by the decisions adopted by the General Ordinary Meeting of Shareholders. The date proposed by the Board of Administration is **August 12th 2016**.

3. Approval of the date **August 11th 2016** as „**ex-date**”, respectively the date previous to the registration date when the financial instruments, subject of the decision of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to art. 2 letter f) of Regulation No. 6/2009 regarding the exercise of certain rights of the shareholders within the general assemblies of the trading companies, amended and completed by Regulation no. 13/2014 regarding the amendment and completion of certain regulations issued by the Security National Board (herein referred to as NSC Regulation No. 6/2009).

4. Empowering the Chairman of the Board of Directors, Mr. Dorel Goia, to sign the EGMS decision and the modified Articles of Association, in the name and on behalf of the shareholders present at the meeting.

5. Empowering the legal adviser, Mrs. Bretfelean Diana, identified by ID series XB no. 515915, issued by the Police Department of Bistrita on 13.06.2016, to accomplish all formalities regarding registration of the OGMS Decision at the Commercial Registry of Bistrita-Nasaud Tribunal and to publish this decision in the Official Gazette of Romania, Part 4.

(1) One or more shareholders representing, individually or together, at least 5% from the company capital, have the right (i) to introduce items on the agenda of the General Meeting of Shareholders, on condition that each item be accompanied by an explanation or a draft decision proposed to be adopted by the General Meeting of Shareholders; (ii) to present decision drafts for the items included or proposed to be included on the agenda of the General Meeting.

(2) The rights stated at paragraph (1) can be exercised only in writing, and the documents will be submitted in a closed envelope at the company's headquarters from Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 25/26.07.2016" or sent by courier or by electronic means with the extended electronic signature attached, to the e-mail address, secretariat@teraplast.ro.

(3) The shareholders can exercise their rights stated at paragraph (1) letter (i) and (ii) within 15 days from the date of publishing the present convocation letter, respectively by **July 9th 2016 at the latest**. Each shareholder has the right to ask questions on the items from the agenda of the General Meeting of Shareholders, and the company will answer the questions asked by the shareholders during the Meeting. The questions will be submitted in a closed envelope at the company's headquarters from Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 25/26.07.2016" or sent by courier or by electronic means with the extended electronic signature attached, to the e-mail address, secretariat@teraplast.ro, by **July 22nd 2016** inclusive.

The shareholders can participate in person or they can be represented in the General Meeting of Shareholders either by their legal representatives or by other representatives who were given a special power of attorney, according to the

conditions of the art. 243 from the Law no. 297/2004 on the capital market. The shareholders' access is allowed with the simple proof of their identity, with their ID - for the individual shareholders or in the case of legal entities and legal representatives of the individual shareholders - with a special proxy given to the individual who represents them.

Shareholders may grant a proxy (power of attorney) generally valid for a period not exceeding three years, allowing the designated representative to vote on all issues under discussion in the general meetings of shareholders of the Company, provided that the proxy (power of attorney) to be given by the shareholder, as a client, to an intermediary, defined in Art. 2 para. (1) Section 14 of Capital Market Law no. 297/2004 or to a lawyer.

Shareholders may not be represented in the general meeting of the shareholders on the basis of a general power of attorney, by a person who is in a situation of conflict of interest, in accordance with Art. 243 paragraph 6 ind. 4 of Law no. 297/2004 regarding the capital market, text introduced by GEO no. 90/2004 amending and supplementing Law no. 297/2004 on the capital market.

General Proxies (powers of attorney) shall be submitted to the Company at least 48 hours before the general meeting, until **July 23th 2016**, 10:00 o'clock, for the Ordinary General Meeting, and, until 10:30 o'clock for the Extraordinary General Meeting, in copies, and should include statements of compliance with the original, under the representative's signature.

The quality of shareholder and in the case of legal persons or entities without legal personality, the quality of legal representative is stated based on the list of shareholders of the Company from the date of reference, received from the Central Depository, or, in the case of different dates of the reference date/registration date, based on the following documents which will be presented to the issuer by the shareholder, issued by the Central Depository or by the participants defined at the art. 168, alin. (1) letter b) of the law no. 297/2004, with the subsequent modifications and completions.

a) Statement of account from which to appear the quality of shareholder and the number of owned share;

b) Documents to prove the enlistment to the central depository of the information regarding the legal representative;

Documents certifying the quality of a legal representative elaborated in a foreign language other than English must be accompanied by a translation made by a certified translator, into Romanian or English.

The above requirements apply correspondingly also to prove the quality of a legal representative of the shareholder who proposes the introduction of new points on the agenda of the general meeting of shareholders or who asks the issuer questions regarding points from the agenda of the general meeting of shareholders.

According to art. 14 paragraph 4) of NSC Regulation No. 6/2009, a shareholder may appoint only one person to represent him at a certain general meeting. However, if a shareholder holds shares of a company in several securities accounts, this restriction will not prevent him to appoint a separate representative for the shares held in each securities account with respect to a certain general meeting. This provision will not affect the provisions of par. (5) art. 14 of NSC Regulation no. 6/2009.

According to art. 14 paragraph 4, clause. 1 of NSC Regulation No. 6/2009, a shareholder may appoint by power of attorney one or more alternate representatives to assure representation in the general meeting, if the representative

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appointed under par. (4) is unable to fulfill its mandate. If the power of attorney designates several alternate representative will be determine the order in which they exercise their mandate.

The shareholders can also vote the items from the agenda by mail, the voting form, filled in and signed accordingly, shall be sent in a closed envelope to the company's headquarters from Teraplast Industrial Park DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, until **July 23th 2016** 10:00 hour for the Ordinary General Meeting and, 10:30 hour for the Extraordinary General Meeting, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 25/26.07.2016".

The vote by correspondence can be expressed by the representative only in the situation in which he received from the shareholder he represents a special/general proxy which will be deposited to the issuer in accordance with art. 243 alin. (63) of the Capital Market Law no. 297/2004, with the subsequent modifications and completions.

The special power of attorney forms which will be used for the vote by representation, as well as the forms used for the vote by mail will be made available to the shareholders both in Romanian and in English, at the company's headquarters from Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, during working days, between **08.00 – 16.30** and on the company's webpage: www.teraplast.ro, Category «Investors», Section «General Meeting of Shareholders», starting with **June 24th 2016**.

The special power of attorney forms and the voting bulletins by correspondence shall be submitted in original, either in Romanian, or English at the company's headquarters from Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, by **July 23th 2016** 10:00 AM for the Ordinary General Meeting of Shareholders, respectively at 10:30 AM for the Extraordinary General Meeting of Shareholders, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 25/26.07.2016". One copy will be given to the representative, one will remain at the company and the third copy will be kept by the shareholder.

The shareholders can also appoint their representative by electronic means, the notification of the assignment by electronic means can be made at the e-mail address secretariat@teraplast.ro, with their extended electronic signature attached.

The documents and information materials as well as the decision drafts on the problems from the agenda of the General Meeting of Shareholders will be available to the shareholders, both in English and Romanian, at the company's headquarters from Teraplast Industrial Park, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, during working days, between **08:00 – 16:30** and on the company's webpage: www.teraplast.ro, Category «Investors», Section «General Meeting of Shareholders», starting with **June 23th 2016**.

In the event the validity conditions are not met at the first call to meeting, the next General Meeting of the Shareholders shall be convened for the date of **July 26th 2016**, the agenda, time and place being the same.

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.

Chairman of the Board of Directors

Dorel Goia

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