

## AD HOC REPORT

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

Report date: **March 24<sup>th</sup> 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**

### CONVENING NOTICE

#### **General Meeting of Shareholders**

#### **Ordinary and Extraordinary**

**April 27<sup>th</sup> 2017**

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, calls the **General Meeting of Shareholders - Ordinary and Extraordinary**, on **April 27<sup>th</sup> 2017**, 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 **16:00 PM** for the Ordinary General Meeting, respectively at **17:00 PM** for the

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www.teraplast.ro

Extraordinary General Meeting. All shareholders registered in the Shareholders' Registry by the end of **April 14<sup>th</sup> 2017** set as reference date, are entitled to participate and vote.

## I. The Ordinary General Meeting of Shareholders will have the following

### AGENDA

1. Presentation and submitting for approval the Report of the Board of Administration on the individual and consolidated financial situations for the 2016 financial year.
2. Presentation of the Report of the financial auditor KPMG Audit S.R.L on the individual and consolidated financial statement for the 2016 financial year.
3. Presentation and submitting for approval of the stand-alone financial statements for the 2016 financial year, according to the Report of the Board of Directors and the Report of the Company's financial auditor.
4. Distribution of the net profit for the 2016 financial year. It is proposed that the net profit for the 2016 financial year to be distributed as follows:  
Net profit to be distributed: 41.511.532 lei  
Legal reserves: 2.294.246 lei  
Dividends distribution: 9.572.712 lei, proposed gross dividend/share being 0.0169 lei;  
Other reserves: 29.047.831 lei  
Retained earnings 596.743 lei
5. Presentation and submitting for approval of the consolidated financial statements for the 2016 financial year, according to the Report of the Board of Directors and the Report of the Company's financial auditor.
6. Discharge of the Company's Board of Directors for the 2016 financial year.
7. Presentation and submitting for approval of the Budget of Revenues and Expenses for the 2017 financial year.
8. Presentation and submitting for approval of the Investment Program for the 2017 financial year.
9. Establishing the remuneration level of the members of the Board of Directors for 2017.
10. 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 May 18<sup>th</sup> 2017.
11. Approval of the date May 17<sup>th</sup> 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).
12. Approval of the date June 9<sup>th</sup> 2017 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.

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13. Empowering the Board of Directors to fulfill the decisions adopted by the Ordinary General Meeting of Shareholders.
14. 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.
15. Empowering 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 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 share capital increase with 29,047,831 lei by releasing of 290,478,310 new shares, with a reference value of 0.10 lei/share, as well the determination of the price at which the fractions of shares will be compensated following the application of the algorithm and the rounding of the results, in accordance with the applicable legal provisions. The share capital increase will be made by incorporating the reserves in amount of 29,047,831 lei, constituted from the 2016 net profit, according to point 4 from the OGMS Agenda, dated April 27<sup>th</sup> 2017 and by releasing of 290,478,310 new shares with a reference value of 0.10 lei/share. The new released shares will not modify the shareholders percentage and will be distributed for free to all company's shareholders, registered in the Shareholders' Registry, at the registration date established by GMS. The capital increase is made in order to support the current activity of the company. Every shareholder registered in the Shareholders' Registry at the registration date shall receive 1 new share for every 1.95 owed shares.
2. Approval of the update of the Articles of Association, in accordance with the ones approved at point 1 of the present, as follows:

Art. 7. Alin. (1) "The subscribed and paid in share capital of the Company TERAPLAST S.A. is 56,643,266 lei divided into a number of 566,432,660 registered shares, with nominal value of 0.1 lei each" modifies and will have the following content:

*"The subscribed and paid in share capital of the Company TERAPLAST S.A. is **85.691.097 lei** divided into a number of **856.910.970** registered shares, with nominal value of 0.1 lei each".*
3. Approval of the maximum limit of indebtedness that the company can contract in the 2017 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. The proposal of the Board of Administration is that this limit of indebtedness to reach the total value of 135,000,000 lei.
4. Empowering 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

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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.

**5. Considering:**

a. The EGMS decision dated February 09<sup>th</sup> 2017 by witch it was decided:

- The start of investments in total value of 72.000.000 lei, in the 2017 financial exercise;
- Empowering the Board of Directors to accomplish, in the name of and for the Company, all the actions and steps necessary or useful in order to fulfill those approved at the anterior point.

b. The conclusion, in 01.03.2017, of the agreements for the purchase of the 50% of the stake held by the shareholders of Depaco SRL,

It is proposed:

c. Approval of the agreements, signed in 01.03.2017, for the purchase of the 50% of the stake held by the shareholders of Depaco SRL, in the company Depaco SRL.

**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 Directors is July 18<sup>th</sup> 2017.

**7.** Approval of the date July 17<sup>th</sup> 2017 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.** Establishing the **payment date**, date to which the distribution of the income associated with the securities holders, consisting in cash or shares, becomes certain. The date proposed by the Board of Directors is July 19<sup>th</sup> 2017.

**9.** Empowering the Board of Directors to fulfill the decisions adopted by the Extraordinary General Meeting of Shareholders.

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

**11.** Empowering 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 EGMS Decision at the Commercial Registry of Bistrita-Nasaud Tribunal and to publish this decision in the Official Gazette of Romania, Part 4.

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(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, respectively sent by any post form or fast delivery with receipt, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017" or sent by courier or by electronic means with the extended electronic signature attached, according to Low no. 455/2001 regarding electronic signature, to the e-mail address, [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), mentioning to the subject "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017".

(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 **April 12<sup>th</sup> 2017 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, respectively sent by any post form or fast delivery with receipt, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017" or sent by courier or by electronic means with the extended electronic signature attached, according to Low no. 455/2001 regarding electronic signature to the e-mail address, [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), mentioning to the subject "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017", by **April 26<sup>th</sup> 2017** 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 **April 25<sup>th</sup> 2017**, 16:00 o'clock, for the Ordinary General Meeting, and, until 17:00 o'clock for the Extraordinary General Meeting, in copies, and should include statements of compliance with the original, under the representative's signature. General proxies can also be sent by e-mail with extended electronic signature incorporated, according to

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the Low no. 455/2001 regarding electronic signature, to the e-mail address, [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), mentioning to the subject "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017".

*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 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 **April 25<sup>th</sup> 2017**, 16:00 o'clock, for the Ordinary General Meeting, and, until 17:00 o'clock for the Extraordinary General Meeting, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017". The voting forms can also be sent by e-mail with extended electronic signature incorporated, according to the Low no. 455/2001 regarding electronic signature, to the e-mail address, [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), mentioning to the subject "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017".

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

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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](http://www.teraplast.ro), Category «Investors», Section «General Meeting of Shareholders», starting with **March 27<sup>th</sup> 2017**.

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, respectively sent by any post form or fast delivery with receipt, by **April 25<sup>th</sup> 2017**, 16:00 o'clock, for the Ordinary General Meeting, and, until 17:00 o'clock for the Extraordinary General Meeting, by clearly mentioning on the envelope in capital letters "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017", or can be sent by e-mail with extended electronic signature incorporated, according to the Low no. 455/2001 regarding electronic signature, to the e-mail address, [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), mentioning to the subject "FOR GENERAL MEETING OF SHAREHOLDERS from 27/28.04.2017".

One copy will be given to the representative, one will remain at the company and the third copy will be kept by the shareholder.

When filling the special power of attorney and the voting forms, it will account for the possibility of the GMS agenda to be completed with new points. In this case the updated special power of attorney and voting forms, both in Romanian and English can be obtained from the company's registry or from the website: [www.teraplast.ro](http://www.teraplast.ro), Category "Investors", section "General Meeting of Shareholders", starting with the date of the publishing of the updated agenda.

In case the agenda is updated and the shareholders don't send the updated special power of attorney and voting forms, the special power of attorney and voting forms sent anterior the agenda completing will be take into consideration only for the points which are on the initial agenda.

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 [secretariatCA@teraplast.ro](mailto:secretariatCA@teraplast.ro), with their extended electronic signature attached, according to the Low no. 455/2001 regarding electronic signature.

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](http://www.teraplast.ro), Category «Investors», Section «General Meeting of Shareholders», starting with **March 27<sup>th</sup> 2017**.

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 **April 28<sup>th</sup> 2017**, the agenda, time and place being the same.

**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](mailto:anca.rif@teraplast.ro), contact person Anca Rif – Investor Relations Manager.*

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