

AD HOC REPORT

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

Report date: **December 06th 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: **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**

Teraplast SA informs the shareholders and the potential investors regarding the decision that the sales for the market of Republic of Moldova to be performed directly from Romania. In this context, Teraplast will assign to the local partners the shares (51% of capital) owned in the company in Republic of Moldova.

The sales of the company in Republic of Moldova represents less than 1% in the consolidated turnover of Teraplast Group. The value of the company's share capital is of 5,400 MDL, and after the assignment of the shares the local company will have another name.

Alexandru Stănean, CEO of Teraplast: *„We don't give up on the market of Moldova. We have local clients on most of our Group business lines and we will certainly continue these partnerships. However the market dimension does not justify a developed local presence, the market can be covered through exports. Exports development on every market remains an important component of our medium term business strategy, so we will continue to extend our presence on the markets with potential”.*

Sediul central:

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

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

DECISION
of the Board of Directors of Teraplast SA.
J06/735/1992, RO 3094980
No. 49, dated December 05th 2016

According to the provisions of the art. 153[^]20 and Companies Law No. 31/1990, republished, the provisions of the Capital Market Law No. 297/2004 on the capital market and the NSC Regulation No.1/2006 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, Sole registration number at the Trade Register Office No. 309498, in the online meeting of December 05th 2016, attended by all members of the Board,

Considering:

a. *The Decision no 11 of the Board of Directors of Teraplast SA, dated March 6th 2015, by which it was approved:*

- *the participation of the Company Teraplast SA, acting as associate, to the foundation of a limited liability company in the Republic of Moldova, with a total share capital of 5.400 MDL, with the following structure of the associates: Company Teraplast SA - 51% of the share capital, Mr. Mircea Moraru - 35% of the share capital and Mr. Negru Dorel - 14% of the share capital.*
- *the participation of the Company Teraplast SA in the share capital of the company constituted according to previous paragraph, with the amount of 2.754 MDL, contribution to capital formation is exclusively in cash and will be fully paid at the foundation.*

b. *The provisions of the Articles of Association of Teraplast Group SRL, according to which Art. 10.5 the social part or a fraction of the social part can be alienated for free to husband, relatives and to relatives by affinity in a direct line without limits, and in collateral line until the second grade inclusively, to other associates and to the company;*

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

DECIDES

1. Approves the assignment to the other associates of the participation owned by Teraplast in the share capital of Teraplast Group SRL (from Republic of Moldova), respectively 51% of the share capital, in amount of 2.754 MDL, for the price of 2.754 MDL.

2. In order to fulfill the provisions of art. 1 of the present, mandating Mr. Alexandru Stănean, acting as Chief Executive Officer of Teraplast S.A., to negotiate, agree upon, conclude and sign in name and on behalf of TERAPLAST SA, the social parts assign contract, the decision of the General Meeting of Shareholders of Teraplast Group SRL, and also to represent the Company Teraplast S.A. with the authorities of the Republic of Moldova (including, without being limited to, the State Registration Chamber, the bank etc.) in order to sign any documents, to

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take the necessary steps for accomplishing the present decision, to the competent public and private enforcement bodies in Republic of Moldova. 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.

3. Empowers Mr. Dorel Goia, as President of the Board of Directors and Mrs. Magda Palfi-Tirau, as Non-Executive Director, to sign in the name and on behalf of the Directors the decision of the Board of Directors.

4. Empowers the legal adviser, Mrs. Kinga Vaida, identified by ID series XB, no. 370326, to accomplish all formalities regarding registration of the Board of Directors Decision at the Trade Registry of Bistrita-Nasaud Law Court.

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*.

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