

AD HOC REPORT

In accordance with Law no. 24/2017 and NSC Regulation no. 1/2006

Report date: **17.08.2017**

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: **85.691.097 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. 82 of Law 24/2017 – **N/A**

CONVENING NOTICE

GENERAL MEETING OF SHAREHOLDERS

Ordinary and Extraordinary

September 21st 2017

Pursuant to the provisions of **Article 111, Article 113 and Article 117** from **Companies' Law 31/1990**, as currently amended, the provisions of the Articles of Association, the Capital Market Law no. 297/2004, Law no. 24/2017 regarding the issuers of financial instruments and market operations, and of the NSC Regulation no. 1/2006 regarding issuers and operations with securities, amended 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 Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, registered with the Trade Register under no. J06/735/1992, VAT no. 3094980, convenes in the session of **August 17th 2017** the **General Meeting of Shareholders – Ordinary and Extraordinary**, to be held on **September 21st 2017** at the company's headquarters in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, **the Ordinary General Meeting at 4:00 pm and the Extraordinary General Meeting at 5:00 pm, respectively**. All shareholders registered in the Shareholder Register are

entitled to participate and vote in such General Meetings of Shareholders by the end of **September 11th 2017**, set as reference date.

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

AGENDA

1. To approve the appointment of the financial auditor.
2. To approve the appointment of the internal auditor.
3. To approve the validity period of the financial audit and internal audit contracts.
4. To approve the remuneration of the financial auditor and the internal auditor.
5. To approve the striking off the Trade Register of Bistrita-Năsăud the mentions concerning the auditor whose appointment will not be extended, if applicable.
6. To authorise Mrs. Carmen Mirela Pop - CEO, and Mrs. Maria Ioana Birta - CFO, to negotiate and sign for and on behalf of the shareholders the financial and internal audit agreements.
7. To approve the increase of the total amount of the Investment Plan, corresponding to the 2017 fiscal year, from RON 84,000,000, approved by the EGMS Decision no. 1/27.04.2017, to RON 96,000,000.
8. To establish the **registration date** when the shareholders affected by the decisions adopted by the Ordinary General Meeting of Shareholders shall be identified. The Board of Directors suggests the date of October 12th 2017.
9. To approve the date of October 11th 2017 as "**ex-date**", namely the date previous to the registration date when the financial instruments, subject of the decisions of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to Article 2 letter f) of the Regulation no. 6/2009 on the exercise of certain rights of the shareholders within the general meetings of the trading companies, as amended and completed by Regulation no. 13/2014 on the amendment and completion of certain regulations issued by the Security National Board (hereinafter referred to as **NSC Regulation no. 6/2009**).
10. To authorise the Chairman of the Board of Directors, Mr. Dorel Goia, to sign, for and on behalf of all the shareholders present at the meeting, the OGMS Decision.
11. To authorize the company's legal adviser, Mrs. Diana Octavia Bretfelean, holder of ID card series X.B. no. 515915, to do everything that is necessary as to record the OGMS Decision at the Trade Register of Bistrita-Nasaud Court, and to publish such decision in the Official Gazette of Romania, Section 4.

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

AGENDA:

1. To approve the decrease of the company's share capital from RON 85,691,097 to RON 85,691,044 by cancelling a number of 528 own shares, with a par value of RON 0.1 per share, acquired by the company following the enforcement of the awarding report and the method of rounding to the lower integer, at the time of increasing the share capital pursuant to the EGMS Decision no. 1/27.04.2017.

The grounds for decreasing the share capital reside in the need to optimise the share capital structure considering that, on the one hand, acquiring the own shares to be cancelled has not been associated to a specific purpose, and, on the other hand, preserving those shares as own shares brings no benefits to the company and its shareholders.

2. To approve the redemption of its own shares by Teraplast S.A., pursuant to the applicable legal provisions, under the following circumstances: maximum 5,150,000 shares (i.e. maximum 0.60% of the total number of shares the share capital is comprised of), with a par value of RON 0.1 per share, at a minimum price equal to the BVB [Bucharest Stock Exchange] market price at the time of the purchase, and a maximum price of RON 0.8/share, but limited to the amount of RON 1,850,000, for a period of maximum 18 months from the date of publishing the EGMS Decision in the Official Gazette of Romania, Section 4, for the implementation of a staff remuneration system that shall comply with the principle of long-term performance, and also with a loyalty rewards scheme. The shares subject to redemption are paid from the distributable profit or the available funds of the company, recorded in the last approved annual financial statement, except the legal funds, pursuant to Article 103 item (1) of Law 31/1990, updated.

3. To authorise the company's Board of Directors to enact and execute the share redemption decision pursuant to item 2 on EGMS agenda.

4. To approve the updating of the Company's Articles of Association in accordance with those approved at item 1 above, as follows:

Art. 7. par. (1) "The subscribed and paid-up share capital of TERAPLAST S.A. is of RON 85,691,097, being divided into 856,910,970 registered shares, with a par value of RON 0.1 per share." shall be amended as follows:

"The subscribed and paid-up share capital of TERAPLAST S.A. is of RON 85,691,044, being divided into 856,910,442 registered shares, with a par value of RON 0.1 per share."

5. To approve the increase of the maximum limit of indebtedness that the company may contract during the 2017 fiscal year, and to approve the securing of credit and/or leasing contracts which are going to be accessed, but not exceeding the convened limit, by security interests in real estate/pledge, assignments of current and future receivable rights, assignments related to current and future cash, resulting from current accounts and assignment of rights resulting from insurance policies. The Board of Directors suggests for such limit of indebtedness to be raised from a total amount of RON 135,000,000 to RON 185,000,000.

6. To authorise the Board of Directors to take, for and on behalf of the Company, all the actions and steps required or useful for the enforcement of item 4 of this decision, up to the maximum agreed limit of indebtedness. Therefore, the Board of Directors shall issue decisions on: taking out bank loans, entering into credit/leasing contracts, extending the bank loan/leasing contracts, establishing the security structure corresponding to the taken out/extended bank loan or leasing contracts, restructuring/establishing new maturity dates for the granted loans, changing the structure of the

securities for the pending loans, authorising the persons entitled to sign for and on behalf of TERAPLAST S.A. the bank loan contracts / the leasing contracts / the security contracts / the addendums to the bank loan/leasing contracts, and also any other complementary documents or instruments related to or referred to in the bank loan/leasing contracts, security contracts or any other documents, and also to sign any other forms and requests that might be necessary or useful in relation to such bank transactions.

7. To establish the registration date when the shareholders affected by the decisions adopted by the Extraordinary General Meeting of Shareholders shall be identified. The Board of Directors suggests the date of October 12th, 2017.

8. To approve the date of October 11th, 2017, as “ex-date”, namely the date previous to the registration date when the financial instruments, subject of the decisions of the corporate bodies, are transacted without the rights resulting from such decision, pursuant to Article 2 letter f) of the Regulation no. 6/2009 on the exercise of certain rights of the shareholders within the general meetings of the trading companies, as amended and completed by Regulation no. 13/2014 on the amendment and completion of certain regulations issued by the Security National Board (hereinafter referred to as NSC Regulation no. 6/2009)

9. To authorize the Board of Directors to enforce the decisions adopted by the Extraordinary General Meeting of Shareholders.

10. To authorize the Chairman of the Board of Directors, Mr. Dorel Goia, to sign, for and on behalf of all the shareholders present at the meeting, the EGMS Decision.

11. To authorize the company’s legal adviser, Mrs. Diana Octavia Bretflean, holder of ID card series X.B. no. 515915, to do everything that is necessary as to record the EGMS Decision at the Trade Register of Bistrita-Nasaud Court, and to publish such decision in the Official Gazette of Romania, Section 4.

(1) One or more shareholders jointly or severally representing at least 5% of the share capital, have the right (i) to introduce items on the General Meeting of Shareholders’ agenda, provided that each item is accompanied by an explanation or a decision draft submitted for adoption to the General Meeting of Shareholders; (ii) to submit decision drafts for the items included or suggested to be included on the General Meeting’s agenda.

(2) Any of the rights stipulated in paragraph (1) above may only be exercised in written, and the documents shall be submitted in a closed envelope at the company’s headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, or sent by any type of mail or fast delivery with acknowledgment of receipt, the envelope bearing a clear note written in capital letters “FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017”, or sent by messenger delivery or electronic means, with the extended electronic signature included according to Law 455/2001 on the electronic signature, at the following e-mail secretariatCA@teraplast.ro, mentioning at subject: “FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017”.

(3) The shareholders can exercise the rights stipulated in paragraph (1) letters (i) and (ii) within maximum 15

calendar days following the date of publication of this convening notice, namely no later than **September 6th, 2017**. Each shareholder shall be entitled to address questions regarding the items on the General Meeting's agenda, and the company shall reply to the shareholders' questions during such meeting. The questions shall be submitted in a closed envelope at the company's headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, or sent by any type of mail or fast delivery with acknowledgment of receipt, the envelope bearing a clear note written in capital letters "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017", or sent by messenger delivery or electronic means, with the extended electronic signature included according to Law 455/2001 on the electronic signature, at the following e-mail secretariatCA@teraplast.ro, mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017", on or by **September 20th, 2017**.

The shareholders can participate in person or they can be represented in the General Meetings of Shareholders either by their legal representatives or by other agents authorised by a special power of attorney or a general power of attorney, as provided by Article 92 paragraph (10) of Law 24/2017 on the issuers of financial instruments and market operations. Shareholders' access shall be permitted upon proof of their identity, consisting in case of shareholders, who are natural persons, of their ID card or, in case of legal entities, legal representative, and in case of legal entities and shareholders, who are represented natural persons, of a special power of attorney awarded to the person acting as their agent, provided legal applicable provisions are complied with.

The shareholders can appoint a representative by a general power of attorney (authorisation) valid for no more than three years, authorising the appointed representative to vote in any matter subject to discussions of the General Meetings of Shareholders, provided such power of attorney (authorisation) be given by the shareholder, as customer, to an intermediary defined as per Article 2 paragraph (1) item 20 of Law 24/2007 on the issuers of financial instruments and market operations, or to a lawyer. The shareholders cannot be represented in the General Meeting of Shareholders based on a general power of attorney (authorisation) by a person subject to a conflict of interests, pursuant to Article 92 paragraph (15) of Law 24/2007 on the issuers of financial instruments and market operations.

General powers of attorney (authorisations) should be submitted to the Company Record Office or sent by any type of mail or courier with acknowledgement of receipt, 48 hours before the general meeting, namely no later than 09/19/2017, 4:00 pm for the Ordinary General Meeting, and 5:00 pm for the Extraordinary General Meeting, respectively, in copy, including the mention "Certified to be a true copy of the original" signed by the representative. The powers of attorney can also be sent by e-mail with the extended electronic signature included according to Law 455/2001 on the electronic signature, at the following e-mail secretariatCA@teraplast.ro, mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017". *The quality of shareholder* and, in case of shareholders, who are legal entities, or entities without legal personality, *the quality of legal representative* is ascertained based on the list of shareholders as of the reference/registration date, received by the issuer from the Central Depository or, accordingly, in case of different reference/registration dates, based on the following documents submitted to the issuer by the

shareholder, issued by the Central Depository or the participants defined in Article 168 paragraph (1) letter b) of Law 297/2004, as amended and completed, providing trustee services:

- a) the statement of account certifying the quality of shareholder and the number of owned shares;
- b) documents certifying that the details of the legal representative are recorded at the Central Depository/ participants concerned;

The documents attesting the quality of legal representative elaborated in a foreign language other than English must be accompanied by a translation done into Romanian or English by a certified translator.

The identification criteria referred above shall be accordingly applied also in case the need arises to prove that the shareholder, suggesting for new items to be included in the General Meeting of Shareholders' agenda, or directing questions to the issuer related to the items included in the General Meeting of Shareholders' agenda, is a legal representative.

Pursuant to Article 14 paragraph 4) of the NSC Regulation no. 6/2009, a shareholder can appoint only one representative in a certain General Meeting. However, if a shareholder holds shares with a trading company in several security accounts, such restriction shall not prevent such shareholder to appoint other representative for the shares held in each security account, for a certain General Meeting. Such provision is not detrimental to the provisions of paragraph (5) of Article 14 of the NSC Regulation no. 6/2009.

Pursuant to Article 14 paragraph 4 item 1 of the NSC Regulation no. 6/2009, *a shareholder can appoint by power of attorney one or several deputy representatives* for a general meeting, in the event the representative appointed as per paragraph (4) above is unable to attend. Where several deputy representatives are appointed by power of attorney, the order in which they will act shall be established.

The shareholders can also cast their votes for the items noted in the agenda by mail, and the vote application form, accurately filled out and signed, shall be sent in a sealed envelope to the company's headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, which should arrive at the company's headquarter no later than **09.19.2017**, 4 pm for the Ordinary General Meeting of Shareholders, and 5 pm for the Extraordinary General Meeting of Shareholders, respectively, the envelope bearing a clear note written in capital letters „FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017”. The ballots can be sent by e-mail with the extended electronic signature included according to Law 455/2001 on the electronic signature, at the following e-mail secretariatCA@teraplast.ro, mentioning at subject: “FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017”.

A representative can cast his/her vote by mail only when such representative has received from the shareholder a special/general power of attorney which will be submitted to the issuer pursuant to Article 92 par. (14) of Law 24/2017 on the issuers of financial instruments and market operations.

Special power of attorney forms to be used for voting by representative, as well as the forms to be used for voting by mail shall be made available for shareholders both in Romanian and in English, at the company's headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, during business days, from **8:00 am to 4:30 pm** and on the company website: www.teraplast.ro, heading "Investors", Section "General Meeting of Shareholders", as of **August 21st, 2017**.

The special powers of attorney and the ballots by mail shall be submitted in Romanian or English originals at the company's headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, or sent by any type of mail or fast delivery with acknowledgment of receipt, not later than September 19th 2017, 4 pm for the Ordinary General Meeting of Shareholders, and 5 pm for the Extraordinary General Meeting of Shareholders, respectively, the envelope bearing a clear note written in capital letters „FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017”, or can be sent by e-mail with the extended electronic signature included according to Law 455/2001 on the electronic signature, at the following e-mail secretariatCA@teraplast.ro, mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 21/22.09.2017".

One copy shall be handed over to the representative, one shall be kept by the company, and the third copy shall be kept by the shareholder.

When completing the special powers of attorney and the ballots by mail, the possibility of completing the GMS agenda by new items shall be considered. In such event, the updated special powers of attorney and updated ballots, both in Romanian and in English, can be obtained from the Company Record Office and the company's website www.teraplast.ro, Heading "Investors", Section "General Meeting of Shareholders", as of the date of publishing the completed agenda.

In case the agenda is completed and the shareholders do not send updated special powers of attorney and/or ballots by mail, the special powers of attorney and/or ballots by mail sent before completing the agenda shall be taken into account only for such items that are also found on the initial agenda.

The shareholders can appoint their representative by electronic means as well, notifying the electronic appointment on secretariatCA@teraplast.ro, with the extended electronic signature included according to Law 455/2001 on the electronic signature.

Any informative documents and materials, and also the decision drafts related to the matters listed in the agenda of the General Meeting of Shareholders shall be made available to the shareholders both in Romanian and in English, at the company's headquarter located in Parc Industrial Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud County, during business days, from **8 am to 4:30 pm**, and also on the company's website: www.teraplast.ro, heading „Investors”, Section „General Meeting of Shareholders”, as of **August 21st 2017**.

In the event the validity conditions are not met at the first call to convene, the next General Meeting of Shareholders shall be convened for the date of **September 22nd 2017**, the agenda, time and place being the same.

For additional information please contact the Investor Relations Department of Teraplast, phone 0752-101.686, e-mail: kinga.vaida@teraplast.ro, contact person *Kinga Vaida – Legal adviser*.

Chairman of the Board of Directors

Dorel Goia

Legal adviser

Kinga Vaida