



CONVOCAȚION LETTER

GENERAL ASSEMBLY OF SHAREHOLDERS

- Ordinary and Extraordinary -

29 April 2014

According to the provisions of the **art.111, 113** and the **art.117** from the **Law 31/1990** republished, supplemented and modified by the Law 441/2006, the provisions of the Constitutive Act, the Law no.297/2004 on the capital market and the Rules CNVM no.1/2006 regarding issuers and operations with securities, modified by the Rules CNVM no.31/2006 and the Rules CNVM no.6/2009, **the Board of Administration of the Company SC TERAPLAST SA**, with headquarters in Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, certificate of incorporation J06/735/1992 at the Office of Commerce Registry, VAT registration number 3094980, in the meeting from 25.03.2014 calls the **General Meeting of Shareholders-Ordinary and Extraordinary**, on **29 April 2014**, which will hold its debates at the company's headquarters in Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, starting at **14:00** for the General Ordinary Meeting, respectively at **15:00** for the General Extraordinary Meeting. All shareholders registered in the Shareholders' Registry by **18:00** at the end of **18 April 2014**, set as reference date, are entitled to participate and vote at this General Meeting of Shareholders.

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

AGENDA

1. Presentation and submitting for approval of the Report of the Board of Administration on the individual and consolidated financial situations for the financial exercise 2013.
2. Presentation of the Report of the financial auditor S.C. ERNST & YOUNG ASSURANCE SERVICES S.R.L. on the individual and consolidated financial situations for the financial exercise 2013.
3. Presentation and submitting for approval of the individual financial situations for the financial exercise 2013, according to the Report of the Board of Administration and the Report of the Company's financial auditor.
4. Distribution of the net profit for the financial exercise 2013 according to legal provisions. The Board of Administration proposes that the net profit for the financial exercise 2013 be distributed for the set up of legal reserve and the difference be distributed as retained earnings.
5. Presentation and submitting for approval of the consolidated financial situations for the financial exercise 2013,

according to the Report of the Board of Administration and the Report of the Company's financial auditor.

6. Discharge of the Company's Board of Administration for the financial exercise 2013.
7. Presentation and submitting for approval of the Budget of Revenues and Expenses for the financial exercise 2014.
8. Presentation and submitting for approval of the Investment Program for the financial exercise 2014.
9. Establishing the remuneration level of the members of the Board of Administration for 2014.
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 19 May 2014.
11. Assigning the president of the Board of Administration to sign in the name and for all shareholders present at the meeting the A.G.O.A. Decision.
12. Assigning the Company's legal adviser, Mrs. Kinga Vaida, holder of the ID series X.B. no.370326, issued by Bistrita Police on 26.06.2012, to accomplish all procedures on the registration of the A.G.O.A. Decision at the Office of Commerce Registry from Bistrita-Nasaud Law Court and to publish it in Romania's Official Gazette, Part IV.

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

AGENDA:

1. Approval of the maximum limit of indebtedness that the company can contract in the financial exercise 2014 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 reach the total value of 68.000.000 lei.
2. Assigning the Board of Administration that, up to the maximum limit of indebtedness approved, it should accomplish, in the name and for the Company, all the actions and steps necessary or useful in order to fulfill the facts approved at point 1 from the present decision. In this regard, the Board of Administration shall issue decisions on: accessing some bank credits, concluding some credit/leasing contracts, extending the bank credit/leasing contracts 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 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.

3. Ratification of the Decision of the Board of Administration no. 4 from 10 February 2014, according to which the following was approved:

a. Concluding by the Company, as Borrower/Garantor, with **BRD – Groupe Societe Generale SA**, as creditor, a credit contract, to contract by the Company a credit of **1.000.000 eur**, in order to finance the current activity ("Seasonal Credit "), for a period of 10 months (final due on 30.11.2014), which shall be guaranteed by setting up the following guarantees:

- Mortgage on a real estate consisting of constructions and land situated in Constanta, owned by Teraplast, registered in the Land Registry no.200787/Constanta - No. of old Land Registry 18691 (e :100071) and Land Registry no. 208912/Constanta - No.of old Land Registry 18691 (e :18691) old cadastral no.: 9649, cadastral no. 5438 and 208912, 208912 –C1, evaluated in December 2013 at a market value of 380.000 eur;
- The assignment of all receivables/collection rights representing all the rights and interests, current and future collections and revenues belonging to the company Teraplast, arising from the contracts concluded with its partners, at a market value (collections estimated for 2014) of 15.807 keur;
- Mortgage on the movables consisting of stocks situated in Saratel, owned by Teraplast;
- Pledge on the current and future accounts of Teraplast, open at BRD – Groupe Societe Generale SA.

b. Assigning Mr. Alexandru Stanean as Deputy General Manager as well as Mrs. Eniko-Edit Orban as the Company's Financial Manager in order to achieve the following steps:

- negotiate, sign, perfect, release and prepare (in original, where is the case) in the name and for the Company the Credit Contract and its additional acts, the Warranty Contract and its additional acts as well as all the documents, confirmations and documents related to them as well as any modification acts of them in order to achieve the resolutions adopted in the current decision.
- to take all actions related to the registration of the Warranty Contracts or their amendments to the Pledge Electronic Archive and/or the competent Land Registry and/or the competent Commerce Registry and/or the Company's shareholder registry and/or related to the notification and/or accomplishing any other necessary procedure in front of any other competent authority or third parties interested, as well as to publish the current Decision in Romania's Official Gazette, Part IV; and
- in general, to take all actions and steps necessary or useful for the transaction taking into account the documents mentioned in the resolutions from above.

c. Assigning Mr. Simion Traian, President of the Board of Administration, to sign the Decision of the Board of Administration.

d. Assigning the Company's legal adviser, Mrs. Kinga Vaida, holder of the ID series X.B. no.370326, issued by Bistrita Police on 26.06.2012, to accomplish all procedures on the handing in and registration of the Decision of the Board of Administration at the Office of Commerce Registry from Bistrita-Nasaud Law Court.

4. Establishing the registration date which serves to identify the shareholders who will be affected by the decisions adopted by the decisions adopted by the General Extraordinary Meeting of Shareholders. The date proposed by the Board of Administration is 19 May 2014.

5. Assigning the president of the Board of Administration to sign in the name and for all shareholders present at the meeting the A.G.E.A. Decision.

6. Assigning the Company's legal adviser, Mrs. Kinga Vaida, holder of the ID series X.B. no.370326, issued by Bistrita Police on 26.06.2012, to accomplish all procedures on the registration of the A.G.E.A. Decision at the Office of Commerce Registry from Bistrita-Nasaud Law Court and to publish it in Romania's Official Gazette, Part IV.

(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 decision draft 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 or sent by courier or by electronic means with the extended electronic signature attached, to the e-mail address, office@teraplast.ro.

(3) The shareholders can exercise their rights stated at paragraph (1) letter (i) and (ii) within 15 days at the most from the date of publishing the present convocation letter, respectively by **11 April 2014** 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 Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county or sent by courier or by electronic means with the extended electronic signature attached, to the e-mail address, office@teraplast.ro, by **28 April 2014** including.

The shareholders can participate in person or they can be represented at the General Meeting of Shareholders either by their legal representatives or by other representatives who were given a special proxy, 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 test of their identity, in the case of shareholders physical persons with their ID or in the case of legal persons and represented physical persons shareholders, with a special proxy given to the physical person who represents them.

According to art. 11¹ from CNVM rules no. 6/2009 regarding exercising certain rights of shareholders at the general meetings of companies, in the case of legal persons shareholders, the position of legal representative is proven by an excerpt issued by the commerce registry, presented in original or certified copy or any other document, in original or in certified copy, issued by a competent authority from the state where the shareholder is legally incorporated, which certifies the position of legal representative. The documents which certify the position of legal representative of the legal person shareholder shall be issued 3 months at the latest before the date of publication of the convocation letter of the general meeting of shareholders. The documents which certify the position of legal representative prepared in a foreign language, other than English, shall be accompanied by a translation made by a certified translator in Romanian or English.

The provisions of the art. 11¹ from CNVM rules no. 6/2009 regarding exercising certain rights of shareholders at the general meetings of companies apply correspondingly also to prove the position of 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."

The shareholders can also vote the items from the agenda by mail, the ballot, filled in and signed accordingly, shall be sent in a closed envelope to the company's headquarters from Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county, and it must arrive at the company's headquarters by **27 April 2014** at 14:00 for A.G.O.A., respectively at 15:00 for A.G.E.A. at the latest.

The special proxy applications which will be used for the vote by representation, as well as the applications used for the vote by mail will be available to the shareholders both in Romanian and in English at the company's address from Industrial Park Teraplast, 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 « Shareholders », Section « A.G.A Proxies», starting with **28 March 2014**.

The special proxies and the applications of ballots by mail will be submitted in original either in Romanian or in English at the company's headquarters from, Industrial Park Teraplast, DN 15A, km 45+500, postal code 427298, Bistrita-Nasaud county by **27 April 2014** at 14:00 for A.G.O.A., respectively at 15:00 for A.G.E.A.. 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 office@teraplast.ro, with the 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 at the company's headquarters from Industrial Park Teraplast, 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 « Investor relations », Section « Information for shareholders»., starting with **28 March 2014**.

If the valid conditions on the first call are not fulfilled, the following General Meeting of Shareholders is called for **30 April 2014** maintaining the agenda, the hour and the place.

President of the Board of Administration

Traian Simion

Legal Adviser

Kinga Vaida