

CURRENT REPORT

In accordance with Law no. 24/2017 and NCS Regulation no. 5/2018

Report date: August 09, 2018

Name of issuer: TERAPLAST S.A.

Headquarters: Village Saratel, Sieu-Magherus commune, DN 15A, km 45 + 500, Bistrita-Nasaud County

Phone: 0263/238.202

Fax: 0263/231.221

Trade Register no.: J06/735/1992

Unique registration number in Trade Register Office: RO3094980

Share and paid-up capital: 85.691.044,20 lei

Regulated market on which the issued shares are traded: Bucharest Stock Exchange, standard category, TRP symbol

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**
- e) **other events**

CONVENING NOTICE

GENERAL MEETING OF SHAREHOLDERS

ORDINARY AND EXTRAORDINARY

September 14, 2018

Pursuant to the provisions of **Article 111** and **Article 113** 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. 5/2018 regarding issuers and operations with securities, the **Board of Directors of the Company TERAPLAST SA**, headquartered in village Sărățel, commune Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County, registered with the Trade Register under no. J06/735/1992, VAT no. 3094980, convenes in the session of **August 09, 2018** the **General Meeting of Shareholders – Ordinary and Extraordinary**, to be held on **September 14, 2018** at the company's headquarters in village Sărățel, commune Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County, **starting at**



3:30 PM. All the shareholders registered in the Shareholders' Registry by the end of **September 04, 2018** set as reference date, are entitled to participate and vote.

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

AGENDA:

Whereas:

- By the decision of the Board of Directors, no. 38, dated June 28, 2018, it was approved the election of Mr Alexandru Stănean as interim Director, the mandate being effective beginning with July 02, 2018 until the date of the assembly of the Ordinary General Meeting of Shareholders, which will complete the number of company's Directors.
- On October 06, 2018 expires the term of validity for the mandate granted to the other members of the Board of Directors

It is proposed for approval:

1. The election of the members of Company's Board of Directors of the.
2. The establishing of the validity of the mandate of the Board members, starting from the date of adoption of the decision by OGMS. The Board of Directors proposes that mandate length will be 1(one) year.
3. The election of the internal auditor of the Company.
4. The establishing of the validity of the mandate of the Internal Auditor, starting from the date of adoption of the decision by OGMS. The Board of Directors proposes that mandate length will be 1(one) year.
5. Mandating Mr Dorel Goia and Mr Alexandru Stănean to negotiate and any of them to sign the administrative contracts of the directors and the contract with the internal auditor in the name and on behalf of the Company.
6. Empowering Mr Dorel Goia to sign for and on behalf of all shareholders present at the assembly, the Decision of O.G.M.S.
7. Empowering the legal adviser, Mrs. Diana Bretfelean, to accomplish all formalities regarding registration of the Decision of O.G.M.S. at the Trade Register of Bistrita-Nasaud Law Court and to publish such decision in the Official Gazette of Romania, Part 4.

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

AGENDA:

1. Approval of the supplementation of the maximum limit of indebtedness that the company may contract in the financial year 2018 with the amount of 70,000,000 lei, which will be used exclusively to guarantee the loans of the subsidiaries and the approval of the guarantee of the credit and / or leasing contracts to be accessed by the subsidiaries, within the fixed limit, with real estate/movable securities, assignments of present and future receivable rights, assignments related to current and future available funds, resulting from current accounts and assignments of rights resulting from insurance policies.
2. Mandating the Board of Directors to fulfil, up to the maximum additional limit of approved indebtedness, to accomplish in the name and on behalf of the Company all necessary and useful actions to carry out those approved in accordance with paragraph 1 of this resolution. In this regard, the Board of Directors will issue decisions on: guaranteeing the access by company's subsidiaries of certain bank credits and / or credit contracts / leasing contracts, establish / change the related guarantee structure, empower the persons who will sign on behalf of and on behalf of TERAPLAST SA the warranty contracts / additional documents and any other documents or instruments that are related to or referenced in the warranty agreements and to sign any other forms, requests that may be necessary or useful related to these transactions.
3. Approval of the amendment of the Decision of the Extraordinary General Meeting of Shareholders of the company no. 1 of 21.09.2017 by which was approved the redemption of the Company's own shares in order to reduce the maximum number of shares that can be redeemed from 5,150,000 shares to 3,571,114 shares, within the limit of a budget of 1,480,308.10 lei, instead of 1,850,000 lei previously approved. Own shares redeemed by the Company will be offered to employees and members of the management of the Teraplast Group companies free of charge under the stock option plan developed by the Company.
4. Mandating the Board of Directors to enforce the decisions adopted by the Extraordinary General Meeting of Shareholders.
5. Mandating Mr. Dorel Goia, to sign, for and on behalf of all the shareholders present at the meeting, the EGMS Decision.
6. Mandating company's legal adviser, Mrs. Diana Octavia Bretfelean, , 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, 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 14/17.09.2018", 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 14/17.09.2018".

(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 **August 29, 2018 inclusively**. 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, 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 14/17.09.2018", 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 14/17.09.2018", on or **August 29, 2018 inclusively**.

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.

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 **September 12, 2018**, 3:30 pm for the Ordinary General Meeting, and 4:00 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 14/17.09.2018".

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:

- 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;

However, if the Shareholder did not inform the Central Depository in a timely manner of its legal representative or if this information is not mentioned in the list of shareholders from the reference date received by the Company from the Central Depository, then the proof of the representative status will be with the Company Statement, or a certified copy of the original, issued by the Trade Registry or any other document, in original or in a copy conforming to the original, issued by a competent authority in the State in which the shareholder is legally registered, for the purpose of proving the existence of the legal person and the legal representative's name / quality, with a maximum of 1 month validity reported on the date of publication of the convocation of the general meeting.

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 200 paragraph (4) of the NSC Regulation no. 5/2018 of financial instruments and market operations issuers, 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 separate representatives for the shares held in each security account, for a certain General Meeting. Such provision is not detrimental to the provisions of paragraph (6) of Article 200 of the NSC Regulation no. 5/2018.

Pursuant to Article 200 paragraph (5) of the NSC Regulation no. 5/2018, 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 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, which should arrive at the company's headquarter no later than **12.09.2018**, 3:30 pm for the Ordinary General Meeting of Shareholders, and 4:00 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 14/17.09.2018”. The voting bulletins 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 14/17.09.2018”.

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 from **8:00 am to 4:30 pm** and on the company website: www.teraplast.ro, heading "Investors", Section "General Meeting of Shareholders", starting with **August 13, 2018**.

The special powers of attorney and the voting bulletins by mail shall be submitted in Romanian or English originals at the company's headquarter, or sent by any type of mail or fast delivery with acknowledgment of receipt, not later than **12.09.2018**, 3:30 pm for the Ordinary General Meeting of Shareholders, and 4:00 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 14/17.09.2018”, 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 14/17.09.2018".

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 voting bulletins by mail, the possibility of completing the G.M.S. 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 voting bulletins 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 headquarters, 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”, starting with **August 13, 2018**.

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 17, 2018**, the agenda, time and place being the same.

The list of information regarding name, city of residence and professional qualification of the proposed Directors will be available to shareholders, to be consulted and completed, at the company's headquarters, between **08:00 – 16:30** and on the company's webpage: www.teraplast.ro, Category «Investors», Section «General Meeting of Shareholders», starting with **August 13, 2018**.

The deadline for the submission of applications by those interested is **September 7, 2018** inclusively. For additional information please contact the Investor Relations Department of Teraplast, phone 0752-101.571, e-mail: diana.bretfelean@teraplast.ro, contact person Diana Bretfelean – Legal adviser.

Chairman of the Board of Directors,
Dorel Goia

Legal adviser,
Diana Bretfelean

