

## CURRENT REPORT

In accordance with Law no. 24/2017, and FSA Regulation nr.5/2018

**Date of the report:** 22<sup>nd</sup> March 2019

**Name of the issuing company:** TERAPLAST S.A.

**Registered office:** village Saratel, Sieu-Magherus commune, DN 15A, km 45 + 500, county Bistrita-Nasaud

**Phone number:** 0263/238.202

**Fax number:** 0263/231.221

**Trade Register No.:** J06/735/1992

**VAT number:** RO3094980

**Subscribed and paid-up share capital:** RON 107.024.527,40

**Regulated market for shares admitted to trading:** Bucharest Stock Exchange, standard cat., symbol TRP

**Important events to be reported:**

### CONVENING NOTICE

#### GENERAL MEETING OF SHAREHOLDERS

Ordinary and Extraordinary

April 25<sup>th</sup> 2019

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. 5/2018 regarding issuers and operations with securities, **the Board of Directors of the Company TERAPLAST SA**, headquartered in village Sărațel, 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 **March 21<sup>st</sup> 2019** the **General Meeting of Shareholders – Ordinary and Extraordinary**, to be held on **April 25<sup>th</sup> 2019** at the company's headquarters in village Sărațel, Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County, **the Ordinary General Meeting at 8:30 am and the Extraordinary General Meeting at 9:00 am, respectively**. All shareholders registered in the Shareholder Register are entitled to participate and vote in such General Meetings of Shareholders by the end of **April 12<sup>th</sup> 2019**, set as reference date.

## 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 2018 financial year.
2. Presentation of the Report of the financial auditor ERNST & YOUNG ASSURANCE SERVICES S.R.L on the individual and consolidated financial statement for the 2018 financial year.
3. Presentation and submitting for approval of the stand-alone financial statements for the 2018 financial year, according to the Report of the Board of Directors and the Report of the Company's financial auditor.
4. Approval of the proposal of distribution of the net profit for the 2018 financial year, as follows:
  - Net profit realized: 30,034,429 lei;
  - Legal reserves: 1,500,532 lei;
  - Reserves from net profit: 26,756,123.4 lei; (the amount from which the increase of the share capital will be made in accordance with the OGMS's agenda)
  - Retained earnings 1,777,773.60 lei;
5. Presentation and submitting for approval of the consolidated financial statements for the 2018 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 2018 financial year.
7. Presentation and submitting for approval of the Budget of Revenues and Expenses for the 2019 financial year.
8. Presentation and submitting for approval of the Investment Program for the 2019 financial year.
9. Establishing the remuneration level of the members of the Board of Directors for the current year. The remuneration thus established shall remain valid until the next ordinary general meeting approving the amount of the administrators' remuneration.
10. Empowering the Board of Directors to fulfill the decisions adopted by the Ordinary General Meeting of Shareholders.
11. 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 OGMS Decision.
12. 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. **Approves the share capital increase with 26.756.123,4 lei\*, lei by releasing of 267.561.234 new shares**, with a reference value of 0.10 lei/share, as well the determination of the price 0,28 lei for the compensation of the fractions of shares following the application of the algorithm and the rounding of the results to the lower inferior, in accordance with the applicable legal provisions.

The share capital increase will be made by incorporating the reserves in amount of 26.756.123,4 lei, constituted from the net profit of 2018, and by releasing of 26.756.123,4 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 this Decision. 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 4 owned shares.

*\*When calculating the value with which the share capital is increased, was taken into account the number of shares issued by the company, out of which a number of 336 shares fell (shares that have entered into the Company's account following the application of the algorithm and the rounding of the results to the lower one as a result of the processing of the capital increase) and which the Company holds at the present date, taking into account that own shares do not give rise to dividends or other rights.*

2. Approves 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 107.024.527,40 lei divided into a number of 1.070.245.274 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 133,780,650.8 lei divided into a number of 1,337,806,508 registered shares, with nominal value of 0.1 lei each".**

3. To approve the maximum limit of indebtedness that the company can contract in the 2019 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 200.000.000 lei.

4. Approval of the supplementation of the maximum limit of indebtedness that the company may contract in the financial year 2019 with the amount of 150,000,000 lei, which will be used (if needed) 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.

5. 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 3 and 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.

- 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.

6. To establish the registration date when the shareholders affected by the decisions adopted by the Extraordinary General Meeting of Shareholders shall be identified, according to art. 86 par. (1) of the Law no. 24/2017. The Board of Directors suggests the date of October 23<sup>rd</sup>, 2019.

7. To approve the date of October 22<sup>nd</sup>, 2019, 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, in accordance with art. 2 par. 2 lit. l) of Regulation no. 5/2018.

8. Approval of the date October 24<sup>th</sup> 2019 as payment day, as defined by the art. 86 par. 2 of the Law no. 24/2017, art. 2 par. 2 lit. h) and art. 178 of Regulation no. 5/2018.

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 Bretfelean, 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, 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 25/30.04.2019", 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](mailto:secretariatCA@teraplast.ro), mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 25/30.04.2019".

(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 **April 09, 2019 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 25/30.04.2019", 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](mailto:secretariatCA@teraplast.ro), mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 25/30.04.2019", on or **April 23, 2019 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 **April 23, 2019**, 8:30 pm for the Ordinary General Meeting, and 9:00 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](mailto:secretariatCA@teraplast.ro), mentioning at subject: "FOR THE GENERAL MEETING OF SHAREHOLDERS OF 25/30.04.2019".

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 **23.04.2018**, 8:30 pm for the Ordinary General Meeting of Shareholders, and 9:00 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 25/30.04.2019”. 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](mailto:secretariatCA@teraplast.ro), mentioning at subject: “FOR THE GENERAL MEETING OF SHAREHOLDERS OF 25/30.04.2019”.

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](http://www.teraplast.ro), heading “Investors”, Section “General Meeting of Shareholders”, starting with **March 25, 2019**.

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 **23.04.2019**, 8:30 pm for the Ordinary General Meeting of Shareholders, and 9:00 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 25/30.04.2019”, 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](mailto:secretariatCA@teraplast.ro), mentioning at subject: “FOR THE GENERAL MEETING OF SHAREHOLDERS OF 25/30.04.2019”.

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](http://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](mailto: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](http://www.teraplast.ro), heading „Investors”, Section „General Meeting of Shareholders”, starting with **March 25, 2019**.

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 **April 30, 2019**, the agenda, time and place being the same.

**Chairman of the Board of Directors**  
**Dorel Goia**

For additional information please contact us at the phone number +4 0741 270 439, e-mail: [alexandra.sica@teraplast.ro](mailto:alexandra.sica@teraplast.ro), contact person Alexandra Şica – Manager PR.