

CURRENT REPORT

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

Report date: **26.03.2018**

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**

Important events to be reported:

CONVENING NOTICE

GENERAL MEETING OF SHAREHOLDERS

Ordinary and Extraordinary

April 27th 2018

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 **March 26th 2018** the **General Meeting of Shareholders – Ordinary and Extraordinary**, to be held on **April 27th 2018** 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 4:30 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 **April 16th 2018**, 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 2017 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 2017 financial year.
3. Presentation and submitting for approval of the stand-alone financial statements for the 2017 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 2017 financial year. It is proposed that the net profit for the 2017 financial year to be distributed as follows:

Net profit to be distributed: 14.115.945 lei;

Legal reserves: 661.151 lei;

Dividends distribution: 10.069.404 lei, proposed gross dividend/share being 0.0118 lei;

Retained earnings 3.385.390 lei

**When calculating the gross value of the dividend/share, was taken into account the number of shares issued by the company, out of which a number of 3.571.114 shares fell (shares that Teraplast S.A. has redeemed and holds at the date of the present document, on the basis of the stock option plan approved by the EGMS Decision no.1 of 21.09.2017), also, a number of 528 shares fell as well (shares about which, according to EGMS Decision no.1 of 21.09.2017, the shareholders of the company approved the reduction of the share capital, from the amount of 85,691,097 lei to the value of 85,691,044.2 lei, by canceling a number of 528 own shares, with nominal value 0,1 lei each), because EGMS Decision no. 1 of 21.09.2017 was registered at the TRO Bistrita-Nasaud and the necessary documents were sent to FSA for the issuance of the certificate of registration of securities evidencing the reduction of the share capital, and subsequently, on the basis of the securities registration certificate to be issued by the FSA, the Central Depository shall operate the reduction of the share capital in the register of the shareholders of the company.*

5. Presentation and submitting for approval of the consolidated financial statements for the 2017 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 2017 financial year.
7. Presentation and submitting for approval of the Budget of Revenues and Expenses for the 2018 financial year.
8. Presentation and submitting for approval of the Investment Program for the 2018 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. Approving the payment to the Company's Board of Directors of a difference of indemnity resulting from the monthly indexation of 19.9% of the gross remuneration established by the administration contract for the period between 01.01.2018 and the date of the ordinary general meeting approving the amount of the administrators' 2018, so as to ensure to administrators, for the period in question, the same level of net indemnities as before the entry into force of GEO no. 79/2017 for amending and completing the Law no. 227/2015 regarding the Fiscal Code.

11. To elect an independent member for the Audit Committee, for a mandate equal to that of the Board of Directors in accordance with Article 2 (12) (A) of Title I, Chapter I, Law 162/2017 and Article 65 of Title I, Chapter IX, Law 162/2017;

12. 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 June 11th 2018.

13. To approve the date of June 08th 2018 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**).

14. Approval of the date June 29th 2018 as payment day, as defined by the art. 2, letter g) of NSC Regulation No. 6/2009 and by art. 129, ind.3, alin 2 of the NSC Regulation no.1/2006 regarding issuers and operations with securities.

15. Empowering the Board of Directors to fulfill the decisions adopted by the Ordinary General Meeting of Shareholders.

16. 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.

17. 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. Authorization of the increase of the share capital of the Company, up to a maximum of 21.450.000 lei, up to the maximum amount of 107.141.097 lei, representing authorized capital, by delegating to the Board of Directors, for a period of 12 months, the exercise of its competencies regarding the increase of the share capital, based on the provisions of art. 114 paragraph (1) - (2), and of art. 220¹ of Law no. 31/1990, the provisions of art. 85 of the Law no. 24/2017 and the provisions of art. 9 paragraph (2) of the Articles of Association of the company, under the following conditions:

- The newly issued shares will be distributed free of charge to all shareholders of the company registered in the Register of Shareholders at the registration date to be determined by the Board of Directors;
- The capital increase will be made to support the current activity of the company;
- Each shareholder registered in the Register of Shareholders at the registration date (which will be determined by the Board of Directors by the decision approving all the details of the increase of the share capital) will be allocated a number of 1 free share to 4 shares held;
- The increase of the share capital will be made by incorporating the reserves set up in the previous years.

2. To authorise the company's Board of Directors to perform any and all formalities necessary to carry out the fulfillment of item 1 of this agenda of the Extraordinary General Meeting of Shareholders, including but not limited to: initiating, developing (including setting out the date of payment, setting out the registration date - the date that serves to identify the shareholders over whom the effects of the capital increase will be reflected, setting the ex-date, establishing the exact value with which the share capital is increased, determining the price at which the fraction of shares resulting from the application of the algorithm and the rounding of the results will be compensated), completing, registering and operating the increase of the share capital, the corresponding modification of the Company's Articles of Association, the drafting and signing of all documents and the fulfillment of any formalities for the implementation and registration of the increase of the share capital to the competent authorities.

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

Art. 9. par. (4) shall be inserted and shall have the following content: "The Board of Directors is authorized by the Articles of Association, for a period of 12 months from the date of completing the Articles of Association with this article, to increase the share capital of the Company with a value of maximum 21.450.000 lei, up to the maximum amount of 107,141,097 lei, representing authorized capital."

4. To approve the maximum limit of indebtedness that the company can contract in the 2018 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 185.000.000 lei.

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 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.

6. 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 June 15th, 2018.

7. To approve the date of June 14th, 2018, 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)

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

9. 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.

10. 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 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 27/30.04.2018", 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 27/30.04.2018".

(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 **April 12th, 2018**. 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 27/30.04.2018", 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 27/30.04.2018", on or by **April 26th, 2018**.

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 **25.04.2018**, 4:30 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 27/30.04.2018". *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, 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 **25.04.2018**, 4:30 pm for the Ordinary General Meeting of Shareholders, and 5:00 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 27/30.04.2018”. 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 27/30.04.2018”.

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 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 **March 28th, 2018**.

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 **25.04.2018**, 4:30 pm for the Ordinary General Meeting of Shareholders, and 5:00 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 27/30.04.2018”, 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 27/30.04.2018”.

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 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 **March 28th, 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 **April 30th 2018**, the agenda, time and place being the same.

For additional information please contact the Investor Relations Department of Teraplast, phone 0752-101.571, e-mail: diana.breftelean@teraplast.ro, contact person Diana Breftelean – Legal adviser.

Chairman of the Board of Directors

Dorel Goia

Legal adviser

Diana Breftelean