

CURRENT REPORT

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

Date of the report: April 25th 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 :

On April 25th 2019, starting with 08:30 AM, respectively 09:00 AM, at Company's headquarters took place the Ordinary and the Extraordinary General Meeting of Shareholders, which was legally and statutory constituted at first convocation. During this meeting participated in person, through power of attorney and also through voting by correspondence, the shareholders registered in the Shareholders Register held by Central Depository, at April 12th 2019, established as a reference date, the quorum consisting of 57,9205%, from the total of 1.066.673.824 voting rights related to the 1.070.245.274 shares issued by the Company.

In order to ensure a complete and correct information of shareholders and potential investors, we reproduce the content of the decisions of the Extraordinary General Meeting of Shareholders of the Company TERAPLAST S.A:

DECISION no. 1 dated April 25th, 2019
of the Ordinary General Meeting of Shareholders of TERAPLAST S.A.

In pursuance of art.111 and the following of Companies Law 31/1990 as amended to date, of the Articles of Association of TERAPLAST S.A., of Law no. 24/2017, and the NSC Regulation no. 5/2018, the Ordinary General Meeting of Shareholders of the company TERAPLAST S.A., headquartered in village Sărățel, commune Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County registered at the Trade Register under no. J06/735/1992, VAT no. 3094980, held on April 25th 2019 at the company's headquarters, at 8:30 am, in a quorum of 57.9205% of the total 1,066,673,824 voting rights corresponding to the 1,070,245,274 shares issued by TERAPLAST S.A., representing a total number of 617,824,098 validly expressed votes,

DECIDES

On the items of the agenda as follows:

1. Approves the Report of the Board of Administration on the individual and consolidated financial situations for the 2018 financial year.

Voting structure: 100% for, 0% against, 0% abstention

2. Records 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.

Voting structure: 100% for, 0% against, 0% abstention

3. Approves the individual financial situations for the 2018 financial year, based on the Report of the Board of Directors and the Report of the Company's financial auditor.

Description	2018 RON
Revenues total –out of which:	301,466,783
Revenues from sale of finished products	263,858,865
Revenues from the sale of merchandise	36,382,958
Revenues from service rendering	1,224,960
Other operating revenue	645,262
Changes in inventories of finished goods and work in progress	6,239,075
Raw materials, consumables used and merchandise	(219,046,622)
Employee benefit expenses	(30,530,294)
Expenses with impairment adjustments and amortization	(17,729,088)
Adjustments for the depreciation of current assets, net	(553,598)
Provisions, net	(140,383)
Gains/(Losses) from the outflow/valuation of tangible and intangible assets	(52,258)
Gains / (Losses) from the outflow of assets held for sale	185,891
Gains/(Losses) from the fair value measurement of investment properties	(90,224)
Other expenses	(38,023,825)
Operating result	2,370,720
Financial expenses	(8,107,600)
Financial income	35,341,426
Profit before tax	29,604,545
Income tax expense	429,884
Profit for the year	30,034,429
Other comprehensive income	
Revaluation of fixed assets	(856,051)
Impact of deferred tax	136,968
Other comprehensive income, net, not classified in profit or loss in subsequent periods	(719,083)
Total comprehensive income	29,315,346
Average number of shares	868,046,555
Net earnings per share	0,0346

Voting structure: 100% for, 0% against, 0% abstention

4. Approves 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 EGMS's agenda)
- Retained earnings 1,777,773.60 lei;

Voting structure: 100% for, 0% against, 0% abstention

5. Approves 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.

Description	2018 RON
Revenues total from customer contracts, out of which:	804,512,197
Revenues from sale of finished products	674,625,885
Revenues from the sale of merchandise	126,426,583
Revenues from service rendering	3,459,729
Other operating revenue	1,821,873
Changes in inventories of finished goods and work in progress	9,129,736
Works and services in progress	495,838
Raw materials, consumables used and merchandise	(605,376,072)
Employee benefit expenses	(68,406,348)
Amortization and the adjustments for impairment of non-current assets, net	(30,600,206)
Adjustments for the impairment of current assets, net	(1,540,803)
Expenses with provisions, net	(208,780)
Gains / (Losses) from the outflow/valuation of tangible and intangible assets	15,131
Gains / (Losses) from the outflow of assets held for sale	185,891
Gains / (Losses) from the outflow/fair value measurement of investment properties	(245,552)
Other operating expenses	(75,010,673)
Operating result	34,722,232
Financial expenses	(4,435,430)
Expenses on interest, net	(7,577,317)
Financial income	3,324,694
Dividend revenues	75,200
Financial result, net	(8,612,853)
Profit before tax	26,159,379
Income tax expense	(3,520,673)
Profit for the year	22,638,706
Profit or loss for the period	
Attributable to	
Parent entity equity holders	21,878,022
Non-controlling interests	760,684
Result for the financial year	22,638,706
Other comprehensive income	
Revaluation of fixed assets	(700,722)
Deferred tax	136,968
	(563,754)
Comprehensive income	22,074,952
Attributable to	
Parent entity equity holders	21,314,268
Non-controlling interests	760,684
Comprehensive income	22,074,952

Voting structure: 100% for, 0% against, 0% abstention

6. Approves the discharge of the Company's Board of Directors for the 2018 financial year.

Voting structure: 18.8771% for, 0% against, 81.1229% abstention

(the abstaining votes are given by the Director, who is also shareholder)

7. Approves the Budget of Revenues and Expenses for the 2019 financial year.

RON thousand	TeraPlast stand alone	TeraPlast Group consolidated
Turnover	341,907	977,492
Expenses with inventories and consumables	232,702	716,071
Gross Margin	109,205	261,421
Operating expenses, out of which:	95,504	200,665
<i>Depreciation and amortization</i>	16,671	28,162
Operating profit	13,701	60,756
Financial result	(4,282)	(9,522)
Profit before tax	9,419	51,234

Voting structure: 100% for, 0% against, 0% abstention

8. Approves the Investment Program for the 2019 financial year.

The investment budget of Teraplast SA for 2019, is of 69 million RON, out of which:

- Investment project co-financed through state aid: 29 million lei
- Investments in subsidiaries: 24 de million lei
- Maintenance, equipments and buildings: 16 million lei

Voting structure: 100% for, 0% against, 0% abstention

9. Approves the proposal of keeping the level of the remuneration for the members of the Board of Directors for the 2019 financial exercise to the same net level approved in 2018 financial exercise. The remuneration thus established shall remain valid until the next ordinary general meeting approving the amount of the administrators' remuneration.

Voting structure: 100% for, 0% against, 0% abstention

10. Empowers the Board of Directors to fulfill the decisions adopted by the Ordinary General Meeting of Shareholders.

Voting structure: 100% for, 0% against, 0% abstention

11. Authorizes Mr. Dorel Goia - Chairman of the Board of Directors, to sign, for and on behalf of all the shareholders present at the meeting, the OGMS Decision.

Voting structure: 100% for, 0% against, 0% abstention

12. Authorizes the company's legal adviser, Mrs. Diana Octavia Bretfelean, 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.

Voting structure: 100% for, 0% against, 0% abstention

**DECISION no. 1 dated April 25th, 2019 of the Extraordinary General Meeting of Shareholders of
TERAPLAST S.A.**

In pursuance of art.113 and the following of Companies Law 31/1990 as amended to date, of the Articles of Association of TERAPLAST S.A., of Law no. 24/2017, and the NSC Regulation no. 5/2018, the Extraordinary General Meeting of Shareholders of the company TERAPLAST S.A., headquartered in village Sărățel, commune Șieu-Măgheruș, DN 15A, km 45+500, Bistrița-Năsăud County, registered at the Trade Register under no. J06/735/1992, VAT no. 3094980, held on April 25, 2019 at the company's headquarters, at 9:00 am, in a quorum of 57.9205% of the total 1,066,673,824 voting rights corresponding to the 1,070,245,274 shares issued by TERAPLAST S.A., representing a total number of 617,824,098 validly expressed votes

DECIDES

On the items of the agenda as follows:

1. **Approves to increase the share capital 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.*

Voting structure: 100% for, 0% against, 0% abstention

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".

Voting structure: 100% for, 0% against, 0% abstention

3. Approves the total value of 200.000.000 lei as the maximum limit of indebtedness that the company can contract in the 2019 financial year and approves to guarantee the 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.

Voting structure: 100% for, 0% against, 0% abstention

4. Approves 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.

Voting structure: 100% for, 0% against, 0% abstention

5. Authorises 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.

Voting structure: 100% for, 0% against, 0% abstention

6. Establishes the date of **October 23rd, 2019 as 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.

Voting structure: 100% for, 0% against, 0% abstention

7. Approves the date of **October 22nd, 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. I) of Regulation no. 5/2018.

Voting structure: 100% for, 0% against, 0% abstention

8. Approves the date of **October 24th 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.

Voting structure: 100% for, 0% against, 0% abstention

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

Voting structure: 100% for, 0% against, 0% abstention

10. Authorizes 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.

Voting structure: 100% for, 0% against, 0% abstention

11. Authorizes the 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.

Voting structure: 100% for, 0% against, 0% abstention

Chairman of the Board of Directors

Dorel Goia

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