

CURRENT REPORT

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

Date of the report: 24.07.2020

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 133,780,501.80

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

Important events to be reported:

CONVENING NOTICE

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF TERAPLAST S.A.

31.08.2020

Pursuant to the provisions of Article 113 and Article 117 from Companies' Law 31/1990, as currently amended, the provisions of the Articles of Association, Law no. 24/2017 regarding the issuers of financial instruments and market operations and of the ASF Regulation no. 5/2018 regarding issuers and operations with securities, the Board of Directors of the Company TERAPLAST S.A. (the "**Company**"), headquartered in village Sărățel, Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County, registered with the Trade Register under no. J06/735/1992, VAT no. 3094980, via its decision dated 24.07.2020, convenes the Extraordinary General Meeting of Shareholders ("**EGMS**") to be held on **31.08.2020** at the Company's headquarters in village Sărățel, Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County at hours 10:00 (Romania time). All shareholders registered in the Shareholder Register are entitled to participate and vote in such EGMS by the end of **21.08.2020**, set as reference date.

The EGMS will have the following



TERAPLAST SA
Sărățel, comuna Șieu-Măgheruș, DN15A, km 45+500, jud. Bistrița Năsăud, 427301
CUI 3094980, J06/735/1992, Capital social subscris și vărsat: 133.780.501,80 lei
Tel: 0374 461 529/ Fax: 0263 231 221/office@teraplast.ro
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AGENDA

1. Approval of the sale and transfer by the Company to KINGSPAN HOLDING NETHERLANDS B.V., a Dutch limited liability company having its registered office at Lingewei 8, 4004 LL Tiel, The Netherlands, with enterprise number 11023475 (the "**Purchaser**") of the shares held by the Company, directly or indirectly, in some of its subsidiaries (the "**Transaction**"), as follows:
 - a. 95,505,327 shares ("**Terasteel Shares**") directly held by the Company in Terasteel S.A., a joint stock company, validly existing under the laws of Romania, with its corporate seat in Bistrita-Nasaud county, Saratel village, Sieu-Magherus commune, DN 15A, KM 45+500, registered with the Bistrita-Nasaud Trade Register under registration number J6/1009/1994, CUI 6694483 ("**Terasteel**"). The share capital of Terasteel amounts to RON 9,736,225,3, denominated in 97,362,253 shares with a par value of RON 0.1 and is held by the Company in proportion of 98.092% and by five individuals in proportion of 1.908% (the individuals holding an aggregate number of 1,856,926 shares in the share capital of Terasteel ("**Additional Terasteel Shares**")). Before closing, the Company intends to acquire the Additional Terrasteel Shares, in which case such Additional Terrasteel Shares will be also sold and transferred to the Purchaser at closing.
 - b. 19,800 shares ("**Wetterbest Shares**") directly held by the Company in Wetterbest S.A., a joint stock company, validly existing under the laws of Romania, with its corporate seat in Prahova county, Baicoi, 76B Infratirii St., registered with the Prahova Trade Register under registration number J29/843/1999, CUI 12347950 ("**Wetterbest**"). The share capital of Wetterbest amounts to RON 2,000,000, denominated in 20,000 shares with a par value of RON 100 and is held by the Company in proportion of 99% and by Terasteel in proportion of 1% (the latter holding an aggregate number of 200 shares in the share capital of Wetterbest);
 - c. all shares ("**Terasteel Serbia Shares**") directly held by the Company in Terasteel d.o.o. Leskovac, a limited liability company, validly existing under the laws of Serbia, with its corporate seat in Sime Pogarčevića 5, Leskovac 16000, Serbia, registered with the Serbian Trade Register under registration number 21259748 ("**Terasteel Serbia**"). The share capital of Terasteel Serbia amounts to RSD 1,239,315.00 of the paid-in and RSD 201,828,875.60 of the contributed in-kind share capital;
 - d. all shares indirectly held by the Company in Terasteel Slovakia SRO. Terasteel is the sole shareholder in Terasteel Slovakia SRO, a limited liability company existing under the laws of the Slovak Republic having its registered seat at Aupark Tower, Einsteinova 24, 851 01 Bratislava, Slovak republic, registered with the Commercial register of the District Court Bratislava I with identification number 52206050, Section: Sro, File no. 135023/B, tax identification number 2120932759 ("**Terasteel Slovakia**"). The share capital of Terasteel Slovakia amounts to EUR 10,000 and is fully owned by Terasteel;
 - e. all shares indirectly held by the Company in Cortina WTB S.R.L.. Wetterbest is the sole shareholder in Cortina WTB S.R.L., a limited liability company, validly existing under the laws of Romania, with its corporate seat in Dolj county, Podari village, Podari commune, 187 Dunarii St., registered with the Dolj Trade Register under registration number J16/1660/2013, CUI 32390939 ("**Cortina**"). The share



capital of Cortina amounts to RON 10,000 (ten thousand) and is denominated in 100 (one hundred) shares with a par value of RON 100 (one hundred) constituting a participation of 100% in the share capital of Cortina.

Thus, the Company will sell and transfer to the Purchaser, each of the Terasteel Shares (including any Additional Terasteel Shares), Wetterbest Shares, Terasteel Serbia Shares held directly by the Company in the share capital of the Terasteel, Wetterbest and Terasteel Serbia, and those held indirectly in the share capital of Terasteel Slovakia and, respectively, Cortina (all of them referred to as the "**Target Shares**").

The total consideration ("**Total Consideration**") to be paid by the Purchaser to the Company for the Target Shares will be determined based on a headline price of 410,000,000 RON which will be adjusted downwards depending on the number of Additional Terasteel Shares that will not be acquired by Company and sold to the Purchaser at Closing and based on the following formula:

- headline price, plus actual working capital, minus target working capital, plus actual cash, minus actual indebtedness.

The consideration will be paid in cash by the Purchaser to the Company. There will be no payment in shares or other financial instruments issued by the Purchaser.

The closing of the Transaction is subject to a number conditions precedent some of them being outside of the parties control (such as the regulatory approvals) and given that the final total price is to be determined based on future financial data, there is no certainty that the agreement will be implemented at the price illustrated above or at all.

The sale of the Target Shares described above will not determine a change of the shareholders' structure of the Company.

2. Empowering the Board of Directors of the Company to fulfil the resolutions adopted by the EGMS, by taking all measures and signing all the necessary documents in order to finalize the Transaction and by fulfilling each and all conditions and formalities necessary for its completion.
3. 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 EGMS resolutions.
4. To authorize the Company's legal adviser, Mrs. Kinga Vaida, to do everything that is necessary as to record the EGMS resolutions at the Trade Register of Bistrita-Nasaud Court, and to publish such resolutions in the Official Gazette of Romania, part IV.

Considering the Romanian public authorities' recommendations in relation to prevention/limitation of the spread of COVID-19, Teraplast strongly recommends to its shareholders, to the extent possible:

- to access the supporting materials for EGMS in electronic format, available on the Company's website, rather than in hardcopy at the Company Registry;
- to vote by correspondence by using the ballot paper for the vote by correspondence;



➤ to use, as communication means, the e-mail having attached an extended electronic signature, rather than the mail or courier at the Company Registry, when submitting (i) proposals with respect to adding new items on the EGMS agenda, (ii) draft resolutions, (iii) written questions before EGMS, (iv) the powers of attorney for representation in the EGMS or (v) the Voting Bulletins for voting by correspondence.

(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 EGMS' agenda, provided that each item is accompanied by an explanation or a decision draft submitted for adoption to the EGMS; (ii) to submit decision drafts for the items included or suggested to be included on the EGMS'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 31.08.2020", 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 31.08.2020".

(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 **13.08.2020 inclusively**.

Each shareholder shall be entitled to address questions regarding the items on the EGMS'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 31.08.2020", 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 31.08.2020", by **30.08.2020 inclusively**.

The shareholders can participate in person or they can be represented in the EGMS 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 EGMS, 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 EGMS 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 Registry or sent by any type of mail or courier with acknowledgement of receipt, 48 hours before the general meeting, namely no later than **29.08.2020**, hours 08:00 (Romania time), 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 31.08.2020".

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 made with the ascertaining certificate, 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 EGMS' agenda, or directing questions to the issuer related to the items included in the EGMS' agenda, is a legal representative.

Pursuant to Article 200 paragraph (4) of the ASF Regulation no. 5/2018 of financial instruments and market operations issuers, a shareholder can appoint only one representative in a certain general shareholder 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 shareholder meeting. Such provision is not detrimental to the provisions of paragraph (6) of Article 200 of the ASF Regulation no. 5/2018.



Pursuant to Article 200 paragraph (5) of the ASF 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 correspondence, 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 **29.08.2020**, hours 08:00 (Romania time), the envelope bearing a clear note written in capital letters „FOR THE GENERAL MEETING OF SHAREHOLDERS OF 31.08.2020”. 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 31.08.2020”.

A representative can cast his/her vote by correspondence 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 correspondence 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 (Romania time)** and on the Company website: www.teraplast.ro, heading “Investors”, Section “General Meeting of Shareholders”, starting with **31.07.2020**.

The special powers of attorney and the voting bulletins by correspondence 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 **29.08.2020**, hours 08:00 (Romania time), the envelope bearing a clear note written in capital letters „ FOR THE GENERAL MEETING OF SHAREHOLDERS OF 31.08.2020”, 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 31.08.2020”.

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 correspondence, the possibility of the EGMS agenda being completed by new items shall be considered by shareholder. In such event, the updated special powers of attorney and updated ballots, both in Romanian and in English, can be obtained from the Company Registry 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 correspondence, the special powers of attorney and/or voting bulletins by correspondence 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 EGMS 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** (Romania time), and also on the Company's web-site: www.teraplast.ro, heading „Investors”, Section „General Meeting of Shareholders”, starting with **31.07.2020**.

In the event the validity conditions are not met at the first call to convene, the next EGMS shall be convened for the date of **01.09.2020**, the agenda, time and place being the same.

Chairman of the Board of Directors

Dorel Goia

For additional information please contact us at

Phone number: +4 0741 270 439

or e-mail: alexandra.sica@teraplast.ro

Contact person Alexandra Şica –PR Manager & IRO.