

CURRENT REPORT

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

Date of the report: 20th July 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.

August 24th 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, 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, 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 **July 20th 2020** the **Extraordinary General Meeting of Shareholders**, to be held on **August 24th 2020**, at the company's headquarters in village Sărățel, Șieu-Magheruș, DN 15A, km 45+500, Bistrita-Nasaud County, **starting with 10:00 am**. All shareholders registered in the Shareholder Register are entitled to participate and vote in such General Meetings of Shareholders by the end of **August 12th 2020**, set as reference date.

The Extraordinary General Meeting of Shareholders will have the following:

AGENDA:

1. Authorising the stock buyback (repurchase of its own shares) by Teraplast S.A., in accordance with the applicable legal provisions, as follows:

A number of maximum 5,500,000 shares with the par value of 0.1 RON/share at a minimum price equal to the BVB market price at the time of purchase and a maximum price of 0.45 RON/share, for a maximum period of 18 months from the publication date of the Extraordinary General Meeting resolution in the Official Gazette of Romania Part IV, within a stock option plan programme, with a view to implementing a remuneration system of the employees and executives of the Teraplast Group member companies, which should ensure the compliance with the principle of long-term performance and an employee loyalty programme.

The nominal value of the own shares thus repurchased may not exceed along with any other own shares owned by Teraplast S.A. the 10% limit threshold of Teraplast S.A.'s subscribed share capital.

The payment of the repurchased shares is made out of the distributable profit or the company's available reserves, recorded in the last annual financial statement approved, except for legal reserves, according to provisions of article 103 (1) of Law No. 31/1990, as updated.

2. Appointing the company's Board of Directors for the enforcement and fulfilment of the stock buyback resolution according to item 1 on the EGMS agenda.
3. 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.
4. To authorize the company's legal adviser, Mrs. Kinga Vaida, 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.

Considering the Romanian public authorities' latest 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 OGMS and EGMS in electronic format, available on the company's website, rather than in hardcopy at the Correspondence Entry;
 - 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 Correspondence Entry, when submitting (i) proposals with respect to adding new items on the OGMS/EGMS agenda, (ii) draft resolutions, (iii) written questions before OGMS/EGMS, (iv) the powers of attorney for representation in the OGMS/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 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020", 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020".

(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 **August 6th, 2020 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020", 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020", on or **August 23, 2020 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 **August 22, 2020**, 10:00 am, 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020".

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 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 **22.08.2020**, 10:00 am, the envelope bearing a clear note written in capital letters „FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020”. 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020”.

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 “Corporate Governance - General Meeting of Shareholders”, starting with **July 22, 2020**.

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 **22.08.2020**, 10:00 am, the envelope bearing a clear note written in capital letters „ FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020”, 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 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 24/25.08.2020”.

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 mail, the possibility of completing the E.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 “Corporate Governance - 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 „Corporate Governance - General Meeting of Shareholders”, starting with **July 22, 2020**.

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 **August 25, 2020**, the agenda, time and place being the same.

Chairman of the Board of Directors

Dorel Goia

If you need any further information feel free to contact us on

Tel. +4 0741 270 439

or e-mail: investor.relations@teraplast.ro

Contact person Alexandra Sica – PR Manager & IRO