

Independent Limited Assurance Report on the information included in the current reports issued by the Company in accordance with requirements of Law 24/2017 (Article 82) and Regulation no. 5/2018 of Financial Supervisory Authority

***To the Board of Teraplast S.A.***

We were engaged by the Teraplast S.A. (hereinafter "the Company ") to perform certain procedures in accordance with Regulation no. 5/2018 of Financial Supervisory Authority ("FSA") with all its subsequent amendments and updates and to report on the information included in the attached current report (hereinafter "Reporting Schedule") (dated 30 January 2019) that has been prepared by the Company in accordance with the requirements of the Law 24/2017 (Article 82) (" the criteria") to report to the Financial Supervisory Authority ("FSA") and to the Bucharest Stock Exchange for the period from 1 July 2018 to 31 December 2018. The Reporting Schedule has been prepared by the Company based on legal documents signed by the Company with its administrators, employees and significant shareholders as well as with the persons related to them. The Reporting Schedule is the responsibility of the Company's management. Our procedures have been performed exclusively on the Reporting Schedule mentioned above covering the period 1 July 2018 to 31 December 2018.

***Specific Purpose***

This report is intended solely for the purposes specified in the first paragraph above and for your information and must not be used for any other purpose. The report refers exclusively to the Reporting Schedule and must not be associated with any Company's financial statements as a whole. Our procedures have been performed exclusively on the contracts signed during the period 1 July 2018 to 31 December 2018.

***Management's Responsibilities***

The Company's management is responsible for the preparation of the Reporting Schedule in accordance with the requirements of the Law 24/2017 (Article 82) (" the criteria"). In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Reporting Schedule from being materially misstated.

In addition, the Company's management is responsible for ensuring that the documentation provided to the auditor is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibilities***

We conducted our assurance engagement in accordance with International Assurance Standards, in particular ISAE 3000 (revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", as adopted by the Chamber of Financial Auditors in Romania. These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Reporting Schedule.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the auditor's judgment. The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the Reporting Schedule.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

In respect of the Reporting Schedule of the Company we have performed the following procedures:

- 1) We have obtained the attached Reporting Schedule from the Company and agreed that the signatures on the Reporting Schedule are those of relevant representatives of the Company and we have undertaken a comparison of the details required to be included in the Reporting Schedule as indicated in Law 24/2017 (Article 82) to the information actually included by the Company.

- 2) We have compared details, for the individual contracts/agreements we have analyzed, as detailed in this Report, to determine if the content of the Reporting Schedule is consistent, in all material respects, with information as per signed contracts and agreements presented to us and that the presented documents have been signed by representatives of the Company that are indicated in the authorized signature schedule provided to us by the Company. As applicable, our procedures have compared Reporting Schedule to the contract and agreement documentation for consistency of details on: the parties which signed the legal document; the date when documentation was signed and the nature of the documentation; the description of the type of goods/services as indicated in the documentation; the total value of the contract/agreement documentation, and, as applicable, contract related terms and conditions.
- 3) We have compared details disclosed in the Reporting Schedule for consistency with the information provided to us from discussion with management and to the extent indicated in contract/agreement documentation, in relation to the basis and nature of the contract/agreement entered into by the parties.
- 4) From discussions with the management and from perusal of Company policies and procedures provided to us, we have considered the consistency of the transactions performed with administrators, employees and significant shareholders, as well as with persons related to them with the Company's policies and procedures.
- 5) To the extent that there is a market price for the goods or services provided by administrators, employees and significant shareholders, as well as with persons related to them, we have discussed the basis for the price agreement and considered if, to the extent applicable, the prices agreed are consistent with those used for third (other) parties, where similar goods or services could be provided. To the extent that no market prices are available, we have analyzed if the transactions have been performed based on the signed approved contracts.

Our procedures have been performed solely on the contracts included in the attached Reporting Schedule, that have been concluded/modified during the period 1 July 2018 to 31 December 2018 and that have an estimated value during the reporting period above 50,000 Euros. We have not performed any procedures to verify whether the Reporting Schedule includes all the transactions and details that the Company has to report according to Article 82 of Law 24/2017 for the reporting period.

## Conclusion

Based on the procedures performed and evidence obtained, as described above, regarding the legal documents which are included in the Reporting Schedule, nothing has come to our attention that causes us to believe that:

- a) The details as indicated in the Reporting Schedule are not in accordance with the related contracts presented to us.
- b) The details in the Reporting Schedule are not, in all material respects, consistent with the requirements of the legislation.
- c) The related contracts provided to us were not properly authorized by representatives of the Company.
- d) The prices have not been established by mutual agreement between the parties in accordance with the type of goods/services and also by considering other terms and conditions mentioned in the respective contracts signed between the parties.
- e) The terms and conditions of the contracts reported by the Company under which transactions have been completed with administrators, employees, significant shareholders, as well as with the persons related to them, are not established on the basis of the contracts signed by the Company according to the type of services and to other terms and conditions agreed between the parties.

Our report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose.

This Report relates only to the Reporting Schedule as mentioned above and does not extend to any other reports of the Company, individually or taken as a whole.

On behalf of  
Ernst & Young Assurance Services SRL

Alexandru Lupea  
Partner

30 January 2019  
Bucharest, Romania



Attachment  
1. Reporting Schedule

## CURRENT REPORT

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

**Date of the report:** 30<sup>th</sup> January 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:** In accordance with Art. 144 lit. B, par. 4 of the FSA Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations, TERAPLAST S.A. submit for publication the Report of the Financial Auditor on the transactions reported under art. 82 of Law no. 24/2018, during the 2nd Semester 2018.

No.	Individual / legal entity signing legal documents with Teraplast company	Date of concluding the document	Nature of the document	Subject of the document	Estimated value of the document	Mutual claims between the parties of the document	Constituted guarantees	Deadlines and payment terms
<b>Addenda concluded by the Company Teraplast S.A., acting as Beneficiary</b>								
1	TERAPLAST LOGISTIC SRL	25.07.2018	Addendum no. 5 to service contract no. 395974/25.07.2016	Extension of validity of service contract until 25.07.2019	The estimated annual value of the contract is of 12.000.000 lei VAT excluded	*Total receivables of Teraplast: 201.140 lei* Total liabilities of Teraplast: 1.182.220 lei	No guarantees	30 days from date of invoice, via bank transfer or compensation

2	TERAPLAST LOGISTIC SRL	01.10. 2018	Addendum no. 6 to service contract no. 395974/ 25.07.2016	Termination of the validity of the service contract starting with 01.10.2018	The estimated annual value of the contract that is terminated is 12,000,000 lei VAT excluded	Total receivables of TeraPlast: 263.572 lei* Total liabilities of TeraPlast: 2.051.284 lei	No guarantees	30 days from date of invoice, via bank transfer or compensation
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\*Mutual claims are on July 30, 2018;

\*\*Mutual claims are on October 05, 2018;

General Manager  
Stanean Alexandru

Financial Manager  
Birta Ioana



*Birta*