

Deloitte.

ROMCARBON SA
INDEPENDENT ASSURANCE REPORT
AS OF
31 DECEMBER 2016

The Board of Directors
Romcarbon SA
Romania

Independent assurance report issued pursuant to the requirements of CNVM Regulation No.1/2006

Purpose of independent assurance report

Further to your request, we have performed procedures, enumerated below, on the Appendices A and B issued by Romcarbon SA ("the Company") to The Authority for Financial Surveillance (ASF), with regard to the contracts signed by Romcarbon SA with the administrators, employees, shareholders who retain control, as well as persons engaged with these reported under article 225 of Law no. 297/2004 with regard to the period July 1, 2016 to December 31, 2016. The Appendices A and B are the responsibility of the management of the Company ("Management").

Our engagement was undertaken in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Under this standard we perform sufficient procedures, in order to obtain limited assurance with respect to the objectives of the specific procedures enumerated below. Because such limited procedures are not considered an audit or review of the financial statements or any parts thereof due to their inherent limitations and accordingly we do not provide any such assurance.

The Company reported to ASF transactions that exceed and that are below 50,000 EUR concluded during the second part of 2016 with affiliated parties.

Procedures performed

- 1) Obtain Appendices A and B, detailing the list of transactions reported for the second half of 2016 and agree the details of the contracts reported in the Appendices to the underlying contracts.
- 2) Obtain and review the contracts to verify that these have been properly authorized by the contracting parties and to ascertain whether they provide for: the contracting parties, the contract date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- 3) Obtain an understanding, by discussing with Management, as to how the contractual relationship for the reported contracts was established.
- 4) Discuss with Management and comment on the company's internal policy with respect to transactions with its administrators, employees, shareholders that have control, as well as its related parties.

Results of procedures

- i. We obtained Appendices A and B signed by Management and we agreed the details of the contracts pertaining to the second half of 2016 reported in these Appendices to the underlying contracts. Our procedures have been applied only to the Appendices A and B. We have not performed any procedures to verify whether this list include all the transactions to be reported by the Company under the provisions of art. 225 of Law 297/2004 for the period July 1, 2016 – December 31, 2016. Our procedures were applied only to the transactions/contracts that exceeded 50,000 EUR during the 2nd semester of 2016.
- ii. We obtained and reviewed the contracts and verified that these have been properly authorized by the contracting parties and verified whether they provided for the contracting parties, the contracts date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- iii. With respect to item (3) above, Management informed us that the price agreed between the parties were established as stated in point iv below.
- iv. With respect to item (4) above, we understand, based on our discussion with Management, that the Company has adopted the following pricing policies:
 - a) With respect to the contract 619/19.04.2010 on Appendix A, space was rented to LivingJumbo Industry SA and the monthly rent paid by Living Jumbo Industry SA is similar with the monthly rent paid by Living Jumbo Industry when it was non-affiliated party. During the second half of 2016 no price changes were included in the contract.
 - b) With respect to the contract 353/ 22.01.2016 on (replacing contract 161/2010 in Appendix A), photopolymer clichés were sold to LivingJumbo Industry SA. Management advised us that the prices for photopolymer foil are established in the contract's annex, being negotiated with Living Jumbo Industry SA and are similar to the prices used in transactions with non-affiliated customers.
 - c) With respect to contract no 899/ 04.02.2010 (Appendix A), Polypropylene granules were sold to Living Jumbo Industry SA and the selling price is based on the acquisition cost from the supplier (including transport cost determined based on transport fee, plus a mark-up.
 - d) Electricity is sold to LivingJumbo Industry SA under contract no 2586/1/12.07.2005 (Appendix A) at a selling price that is equal with the direct costs (electricity from suppliers and maintenance costs), indirect costs (losses) and general expenses with no markup added. The same pricing mechanism is used for both affiliated and non-affiliated parties.
 - e) Utilities are sold to LivingJumbo Industry SA under contract no 5648/24.11.2015 (Appendix A) at a selling price that is equal with the direct costs (electricity from suppliers and maintenance costs), indirect costs (losses) and general expenses with no markup added. The same pricing mechanism is used for both affiliated and non-affiliated parties.
 - f) With respect to contract no 1841/29.12.2009 (Appendix A) services for stations and trafo stations exploitation are provided by RC Energo Install SRL to Romcarbon SA. The price is determined based on the number of employees, number of working hours and hourly rate plus monthly fixed expenses. The hourly rate is determined based on the average salaries of specialists involved.
 - g) With respect to contract no 1839/29.12.2009 (Appendix A) services for water pump stations exploitation are provided by RC Energo Install SRL to Romcarbon SA. The price is determined based on the number of employees, number of working hours and hourly rate plus monthly fixed expenses. The hourly rate is determined based on the average salaries of specialists involved.
 - h) Romcarbon SA made acquisitions of granule polyethylene from LivingJumbo Industry SA based on orders (Appendix A). The price was determined based on acquisition price from the supplier (non related party) plus mark-up.

- i) There were acquisitions for restoration of equipment from PSE section from RC Energo Install SRL based on orders (Appendix A) – the services price is based on the estimation issued by RC Energo Install SRL. The estimate comprises the materials' costs and labor costs plus mark-up.
- j) The contract no 9690/ 26.11.2013 concluded between Romcarbon SA and Recyplat LTD whose object represented the selling of 62.62% of Grinfield LLC Ukraine shares was terminated through rescission.

Conclusion

Based on our work as described in this report, procedures 1-4, with respect to the contracts listed in Appendices A and B for the period July 1, 2016- December 31, 2016, nothing has come to our attention that causes us to believe that:

- a) The contract details noted in Appendix A and B reported to ASF, do not agree with the contract.
- b) The contract was not properly authorized by the contracting parties.
- c) The contract did not provide for the terms and conditions governing the contractual relationship between the related parties such as contracting parts, the contract date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- d) The price agreed between the parties was not mutually agreed based on the type of product and other terms and conditions.

Because the above mentioned procedures do not constitute an audit or a review performed in accordance with the International Audit Standards or International standards for review engagements we do not express any opinion regarding the Company's financial statements as result of the performed procedures. As consequence, this report refers only to the documents, financial information mentioned above and does not expend on any of the Company's financial statements as whole or in part.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with the International Audit Standards or International standards for review engagements we might have had additional observations that we would have reported to you. Our work was limited to the procedures performed considering the information presented and our report refers to the related observations.

The procedures and observations from this report must be considered in the context of the scope for which these procedures were performed and, as consequence, they must not be used as sole basis for forming a conclusion.

The present report is addressed to the Company's management and Board of Directors. Our report has exclusively the scope presented in the paragraphs above and is not intended to be used by other persons than the ones that agreed the procedures to be performed and understand their sufficiency for their purposes. In the maximum limit allowed by the law we do not accept or do not assume the responsibility to any party other than the Company for our work or for the reported observations. The present report has been issued exclusively for the purpose presented in the first section and cannot be used or distributed for any other purpose or used as reference by any other external party except for the Company's internal purposes and the submission to The Authority for Financial Surveillance and Bucharest Stock Exchange (BSE).

For signature, please refer to the original Romanian version.

Deloitte Audit SRL
Bucharest, Romania
January 30, 2017

Appendix A



S.C. ROMCARBON S.A.

Buzău – România

J/10/83/1991; COD FISCAL 1158050
120012 Buzău, Str. Transilvaniei, nr. 132
Tel.: 0238/711.155; Fax: 0238/710.697
Internet: www.romcarbon.com



Nr. **426** /29.01.2016

RAPORT CURENT conform Regulamentului C.N.V.M. 1/2006

Data raportului: 29.01.2016

Denumirea entității emitente: S.C. ROMCARBON S.A.

Sediul social: Buzău, str. Transilvaniei nr. 132, județul Buzău

Numărul de telefon: 0238/723.115

Număr fax: 0238/710.697

Codul unic de înregistrare: RO 1158050

Număr de ordine în Registrul Comerțului: J 10/83/1991

Capital social subscris și varsat : 26.412.209,6 lei

Piața reglementată pe care se tranzacționează valorile mobiliare emise: BVB Categoria II

Evenimente de raportat: Notificare tranzacții - conform art. 225 din Legea 297/2004

Situație tranzacții cu părți afiliate- realizat 2015 (Anexa 1) și estimat 2016 (Anexa 2), conform anexelor prezentului raport curent.

Menționăm că actele juridice prezentate au fost încheiate cu respectarea intereselor societății în raport cu ofertele de același tip existente pe piață.

Va stăm la dispoziție cu alte informații sau documente suplimentare.

Cu deosebită stimă,

Președintele Consiliului de Administrație

Hung Ching Ling



Director General

Andrei Radu

Anexa nr.1

Tranzactii cu partile afiliate in anul 2015

Denumire societate	Vanzari 2015 (fara TVA)	Achizitii 2015 (fara TVA)
ECO PACK MANAGEMENT SRL	80,854	56,447
INFO TECH SOLUTION SRL BUZAU	30,213	454,847
LIVINGJUMBO INDUSTRY SA	32,474,553	575,652
ROMCARBON DEUTSCHLAND EURO	0	1,474,337
RC ENERGO INSTALL SRL BUZAU	102,252	2,527,390
TAIPEI CIMEO SRL	11,401	0
YENKI SRL BUZAU	9,660	0
Total	32,708,932	5,088,674

Creante reciproce la 27.01.2016

Denumire societate	Sold clienti	Sold furnizori
ECO PACK MANAGEMENT SRL	67,854	0
INFO TECH SOLUTION SRL BUZAU	2,346	50,747
LIVINGJUMBO INDUSTRY SA	7,393,992	60,015
ROMCARBON DEUTSCHLAND EURO	0	0
RC ENERGO INSTALL SRL BUZAU	12,716	284,219
YENKI SRL BUZAU	144	0
Total	7,477,053	394,982

Director General,
Andrei Radu



Director Financiar,
Zainescu Viorela Ioana



Tranzactii parti afiliate - valori estimate an 2016

Parte	Calitate contractuala	Parte	Calitate	Obiect contract	Nr. Contract	Penalitati Intrazari	Termene si modalitati de plata	Valoarea estimata in 2016 (fara TVA)	Durata contract
SC Romcarbon SA	Localor		Localor	Inchiriere spatiu	1818/23.12.2009	0.15%/zi	30 zile luni in curs	10,679	prelungire automata 1 an
	Localor		Localor	Inchiriere spatiu	1815/23.12.2009	0.15%/zi	30 zile luni in curs	3,348	prelungire automata 1 an
	Localor		Localor	Inchiriere spatiu	1828/24.12.2009	0.15%/zi	5 zile de la emiterea facturii	1,725	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati- energie termica	1809/23.12.2009	0.10%/zi	15 zile de la primirea facturii	2,288	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati - energie electrica	1806/23.12.2009	0.10%/zi	15 zile de la emiterea facturii	6,270	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati- apa	1807/23.12.2009	0.10%/zi	15 zile de la primirea facturii	261	prelungire automata 1 an
	Furnizor		Cumparator	Vanzari stocuri/ servicii pe baza de comanda	Comanda Client Info	-	30 zile de la emiterea facturii	1,000	-
	Beneficiar		Prestator	Prestari servicii IT	4088/30.12.2013	0.05%/zi	30 zile de la primirea facturii	256,886	prelungire automata 1 an
	Beneficiar		Prestator	Prestari servicii IT	7345/2010	0.15%/zi	5 zile de la emiterea facturii	35,381	prelungire automata 1 an
	Beneficiar		Prestator	Optimizare pagini web	1821/14.01.2016	0.15%/zi	5 zile de la emiterea facturii	4,000	14.03.2016
				Diverse servicii, diverse echipamente IT pe baza de comanda	Comanda Furnizor-ITS	-	30 zile de la emiterea facturii	180,000	-
SC Romcarbon SA	Localor		Localor	Inchiriere spatiu	1814/23.12.2009	0.15%/zi	30 zile luni in curs	49,696	01/01/2019
	Localor		Localor	Inchiriere spatiu	1827/23/12/2009	0.15%/zi	5 zile de la emiterea facturii	6,900	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati-energie electrica	1812/23.12.2009	0.10%/zi	15 zile de la emiterea facturii	17,514	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati - apa	1812/23.12.2009	0.10%/zi	15 zile de la primirea facturii	10,994	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitati- energie termica	1810/23.12.2009	0.10%/zi	15 zile de la primirea facturii	23,151	prelungire automata 1 an
	Prestator		Beneficiar	Inchiriere motorstivitor	921/26.04.2011	0.08%/zi	15 zile de la emiterea facturii	-	prelungire automata 1 an
	Vanzator		Cumparator	Vanzari stocuri pe baza de comanda	Comanda Client-Energo	-	30 zile de la emiterea facturii	5,000	-
	Beneficiar		Prestator	Exploatare statii posturi trafu - Bz	1814/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	430,692	prelungire automata 1 an
	Beneficiar		Prestator	Exploatare statii pompe apa	1839/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	428,560	prelungire automata 1 an
	Beneficiar		Prestator	Inchiriere instalatii gaze	1840/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	31,512	prelungire automata 1 an
SC Romcarbon SA	Beneficiar		Beneficiar	Prestare servicii citire contori	1835/24.12.2009	0.06%/zi	15 zile de la emiterea facturii	2,760	prelungire automata 1 an
	Beneficiar		Beneficiar	Servicio utilitat, instalatii, echipamente si aparate	1834/24.12.2009	0.06%/zi	15 zile de la emiterea facturii	265,000	prelungire automata 1 an
	Beneficiar		Prestator	Exploatare statii posturi trafu -IS	1836/24.12.2009	0.06%/zi	15 zile de la emiterea facturii	27,000	prelungire automata 1 an
	Beneficiar		Prestator	Masuratori dispozitive prize de pamant	2298/12.06.2010	0.06%/zi	15 zile de la emiterea facturii	12,500	prelungire automata 1 an
	Beneficiar		Prestator	Inchiriere poduri rulante si silvitoare	3365/31.10.2013	-	15 zile de la emiterea facturii	30,000	prelungire automata 1 an
	Beneficiar		Prestator	Revizii tehnica la doua poduri rulante	82/19.08.2015	-	30 zile de la predarea amplasamentelor libere de sarcini	25,308	inital 1 an, cu prelungire automata an de an
	Beneficiar		Prestator	Intretinere instalatii umidificare	2959/27.09.2013	0.06%/zi	15 zile de la emiterea facturii	20,000	prelungire automata 1 an
	Beneficiar		Prestator	Exploatare cazan abur	3750/18.05.2013	0.08%/zi	15 zile de la emiterea facturii	500	prelungire automata 1 an
	Beneficiar		Prestator	Prestari servicii - servica instalatii defecte	4086/27.12.2013	-	30 zile de la emiterea facturii	25,000	prelungire automata 1 an
	Beneficiar		Prestator	Diverse lucrari pe baza de comanda si deviz	Comanda furnizor-Energo	-	30 zile de la emiterea facturii	750,000	-
SC Romcarbon SA	Vanzator		Cumparator	Vanzari stocuri/ servicii pe baza de comanda	Comanda Client LJI	0.15%/zi	30 zile de la emiterea facturii	400,000	-
	Vanzator		Cumparator	Vanzare produse PE	161/28.01.2010	0.15%/zi	45 zile de la livrare	3,500,000	31/12/2016
	Vanzator		Cumparator	Vanzare granule PP	899/04.02.2010	0.15%/zi	45 zile de la livrare	26,000,000	prelungire automata 1 an
	Vanzator		Beneficiar	Furnizare utilitati-energie electrica	2586/11/2.07.2005	-	15 zile de la emiterea facturii	2,994,843	prelungire automata 1 an
	Vanzator		Beneficiar	Furnizare utilitati - apa	2586/21/2.07.2005	-	10 zile de la primirea facturii	113,178	prelungire automata 1 an
	Vanzator		Beneficiar	Furnizare utilitati- energie termica	2586/3/12.07.2005	0.30%/zi	5 zile de la primirea facturii	134,115	prelungire automata 1 an
	Localor		Localor	Inchiriere spatiu	1960/01.08.2006	0.15%/zi	5 zile de la emiterea facturii	500	prelungire automata 1 an
	Vanzator		Beneficiar	Inchiriere motorstivitor	924/26.04.2011	0.06%/zi	15 zile de la emiterea facturii	-	prelungire automata 1 an
	Localor		Localor	Inchiriere server	11338/29.01.2015	0.15%/zi	15 zile de la emiterea facturii	9,180	prelungire automata 4 ani
	Prestator		Beneficiar	Procesare deseuri	4999/29.09.2015	0.03%/zi	60 zile de la emiterea facturii	135,000	29/09/2016 cu posibilitatea prelungirii pe o perioada de 12 luni
Localor		Localor	Inchiriere spatiu	619/19.04.2010	0.15%/zi	Pana in data de 30 ale lunii in curs	541,719	01/11/2022	
		Vanzator/Prestator	Vanzare deseuri	1137/29.04.2013	0.15%/zi	60 zile de la emiterea facturii	150,000	29/04/2015; cu prelungire la scadenta	
		Beneficiar	Executarea lucrarii de prelucrat mecanice	6564/10.07.2015	0.05%/zi	30 zile de la emiterea facturii	7,500	inital 1 an, cu prelungire automata an de an	
		Vanzator/Prestator	Cumparari de stocuri de materiale, manutii si servicii pe baza de comanda	comanda furnizor-LJI	-	30 zile de la emiterea facturii	400,000	-	

SC Romcarbon SA	Vanzator	Cumparator	Furnizare energie electrica	2174/02.08.2010	0.30%/zi	5 zile de la emiterea facturii	2,052	prelungire automata 1 an
	Vanzator	Cumparator	Furnizare apa	2616/30/09/2010	0.10%/zi	15 zile de la primirea facturii	1,776	prelungire automata 1 an
	Vanzator	Cumparator	Vanzari stocuri/ servicii pe baza de comanda	Comanda Client-Yenki	-	-	7,500	-
	Cumparator/Beneficiar	Vanzator/Prestator	Prestari servicii pe baza de comanda	Comanda furnizor-Yenki	-	-	1,000	-
SC Romcarbon SA	Localor	Localor	Inchiriere spatiu	559/29.02.2012	0.15%/zi	data de 10 ale lunii	4,976	01/11/2016
	Vanzator	Cumparator	Vanzari stocuri/ servicii pe baza de comanda	Comanda Client-ECO PACK	-	-	45,000	-
	Cumparator/Beneficiar	Vanzator/Prestator	Prestari servicii pe baza de comanda	Comanda furnizor-Eco Pack	-	-	3,000	-
	Localor	Localor	Inchiriere spatiu	in curs de semnare	0.15%/zi	data de 10 ale lunii	89,204	-
SC Romcarbon SA	Vanzator	Cumparator	Vanzari stocuri/ servicii pe baza de comanda	Comanda Client-NEXT ECO	-	-	3,000	-
	Cumparator/Beneficiar	Vanzator/Prestator	Preluare obligatie reciclare deseuri	4/07.01.2016	0.10%/zi	30 zile de la emiterea facturii	202,710	31/12/2016, cu posibilitatea prelungirii cu 12 luni
	Cumparator/Beneficiar	Vanzator/Prestator	Prestari servicii pe baza de comanda	Comanda furnizor-NEXT ECO	-	-	3,000	-



Director General,
Andrei Raub



Director Financiar,
Zinarescu Viorica Ioana

Appendix B



S.C. ROMCARBON S.A.

Buzău – Romania
J/10/83/1991; COD FISCAL 1158050
120012 Buzău, Str. Transilvaniei, nr. 132
Tel.: 0238/711.155; Fax: 0238/710.697
Internet: www.romcarbon.com



Nr. 3624/25.08.2016

RAPORT CURENT

conform Regulamentului C.N.V.M. 1/2006

Conform:

- Regulamentului C.N.V.M. 1/2006 privind emitentii si operatiunile cu valori mobiliare
- Regulamentului CNVM 6/2009 privind exercitarea anumitor drepturi ale actionarilor in cadrul adunarilor generale ale societatilor comerciale, cu modificarile ulterioare
- Legii 297/2004 privind piata de capital
- Legii 31/1990 republicata si cu modificarile ulterioare
- Actul constitutiv al societatii S.C. ROMCARBON S.A.

Data raportului: **25.08.2016**

Denumirea entității emitente: S.C. ROMCARBON S.A.

Sediul social: Buzau, str. Transilvaniei nr.132, judetul Buzau

Numărul de telefon/fax: 0238/723115

Codul unic de înregistrare: RO 1158050

Număr de ordine în Registrul Comertului: J 10/83/1991

Capital social subscris și vărsat: 26.412.209,6 lei

Piața reglementată pe care se tranzacționează valorile mobiliare emise: BVB Categoria Standard

Eveniment de raportat: rezolutiune contract vânzare parti sociale catre o parte afiliata (conform art.225 din Legea 297/2004, respectiv art.113 lit.G alin.3 din Regulamentul CNVM 1/2006)

S.C ROMCARBON S.A raporteaza urmatorul eveniment important: Contractul de vanzare incheiat intre S.C ROMCARBON S.A si RECYPLAT LIMITED (persoana juridica cipriota cu sediul

in Cipru, Nicosia, Akropolis, nr.59 - 61, etajul 3, 2012, cod unic de inregistrare HE 297910/01.12.2011, societate in cadrul careia S.C ROMCARBON S.A detine o cota de participare de 100,00%), ce a facut obiectul raportului curent nr.39/09.01.2014, a incetat prin rezolutiune, partile fiind repuse in situatia anterioara incheierii contractului.

Creantele reciproce la data de 25.08.2016 sunt:

Denumire societate:	S.C ROMCARBON S.A - creditor -	S.C ROMCARBON S.A - debitor -
RECYPLAT LIMITED	0 lei	0 lei

Cu deosebita stima,

Presedintele Consiliului de Administratie,

Hung, Ching-Ling



Director General,

Andrei Radu



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