

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), Regulation no. 1/2006 and Regulation no. 5/2018

To the Supervisory Board of Teraplast S.A.

We were engaged by Teraplast S.A. (hereinafter "the Company ") to perform certain procedures in accordance with Regulation no. 1/2006 of National Securities Commission (CNVM), currently the Financial Supervisory Authority ("ASF") with all its subsequent amendments and updates and ASF Regulation no. 5/2018 and report on the information included in the attached current report (hereinafter "Reporting Schedule") (Report from 30 July 2018) 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 ("ASF") and to the Bucharest Stock Exchange for the period from 1 January 2018 to 30 June 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 other affiliated parties. 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 January 2018 to 30 June 2018.

Specific Purpose

This report is intended solely for the purposes specified in the 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 January 2018 to 30 June 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 (including by omission), whether due to fraud or error.

Auditor's Responsibilities

We conducted our assurance engagement in accordance with International Assurance Standards, particularly 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 Schedules 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 considered, 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 the 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 other affiliated parties with the Company's policies and procedures.
- 5) To the extent that there is a market price for the goods or services provided to the Company by administrators, employees and significant shareholders, as well as with other affiliated parties, we have discussed the basis for the price agreement and considered whether, to the extent applicable, the prices agreed are consistent with those used for third (other) parties for similar goods or services. 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 only on the contracts included in the attached Reporting Schedule, that have been concluded/modified during the period 1 January 2018 to 30 June 2018 and that have an estimated value during the reporting period above EUR 50,000. We have not performed any procedures to verify whether the Reporting Schedule includes all the transactions and details that the Company is required 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/agreements 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/agreements 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 other affiliated parties, 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.

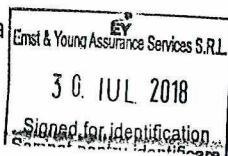
Our report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose.

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 July 2018
Bucharest, Romania

Attachment

1. Reporting Schedule

CURRENT REPORT

In accordance with Law no. 24/2017, NSC Regulation no. 1/2006 si FSA Regulation nr.5/2018

Date of the report: 30th July 2018

Name of the issuing company: TERAPLAST S.A.

Registered office: Teraplast Industrial Park, DN 15A, KM 45+500, Bistrita-Nasaud

Phone number: 0263/238.202

Fax number: 0263/231.221

Trade Register No.: J06/735/1992

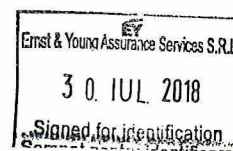
VAT number: RO3094980

Subscribed and paid-up share capital: RON 85.691.044,20

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

Important events to be reported: In compliance with the provisions of art. 144 let. B, paragraph 4 of the F.S.A. Regulation no. 5/2018 regarding Issuers of Financial Instruments and Market Operations, TERAPLAST S.A. submits for publication the Auditor Report regarding transactions reported according to art. 82 from Law no. 24/2017 during the 1st Semester of 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
Addenda concluded by the Company Teraplast S.A. , acting as Supplier								
1	TERASTEEL S.A.	28.02.2018	Addendum no. 6 to sales contract no 4417/03.04.2014	Extension of validity of the Sales contract no. 4417/03.04.2014 until 28.02.2019	The estimated value of the extending contract is of 100.000 lei VAT excluded.	Total receivables of Teraplast : 11.371.814* lei Total liabilities of Teraplast: 816.016 lei	No guarantees	60 days from date of invoice, via bank transfer, payment instruments or compensation
2	ACI CLUJ S.A.	28.02.2018	Addendum no. 6 to sales contract no 338443/2013	Extension of validity of the Sales contract no. 338.443/2013 until 28.02.2019.	The estimated value of the extending contract is of 100.000 lei VAT excluded.	Total receivables of Teraplast: 6.090 lei Total liabilities of Teraplast: 1.872 lei	No guarantees	90 days from date of invoice, via bank transfer, payment instruments



3	TERAGLASS BISTRITA SRL	28.02.2018	Addendum No. 8 to Sales contract No. 5622/01.04.2015	Extension of validity of the Sales contract No. 5622/01.04.2015 until 28.02.2019	The estimated value of the extending contract is of 5.500.000 lei VAT excluded.	Total receivables of Teraplast: 7.385.769** lei Total liabilities of Teraplast: 2.490 lei	No guarantees	90 days from date of invoice, via bank transfer, payment instruments or compensation
4	TERAPLAST HUNGARIA K.F.T.	28.02.2018	Addendum No. 3 to Sales contract No. 7001/24.04.2017	Extension of validity of the Sales contract No. 7001/24.04.2017 until 28.02.2019	The estimated annual value of the contract is of 3.500.000 lei VAT excluded	Total receivables of Teraplast: 1.537.947*** lei Total liabilities of Teraplast: 0,00 lei	No guarantees	90 days from date of invoice, via bank transfer

*Of total amount of 11,371,814 lei due to receive from Terasteel SA, 10,569,756 lei represent dividends to be cashed, and 745,473 lei are amounts in advance to the supplier;

**Of total amount of 7.385.769 lei due to receive from Teraglass Bistrita SRL, 4.596.753 lei represents receivables from the business line transfer

***Of the amount of 1.537.947 lei, 934.395 lei represents receivables from to the loan contract with Teraplast Hungaria Kft.

Contract concluded by the Company Teraplast S.A., acting as lender

1.	TERAPLAST HUNGARIA K.F.T.	21.02.2018	Additional Act to the Loan Contract concluded on 21.02.2017	Extending the validity of the loan until 21.02.2019, and increasing the credit from 100,000 euros to 200,000 euros.	Total value of the contract is of EUR 200,000	Teraplast's liabilities: 0,00 lei Teraplast's receivables: 1.537.947*** lei	No guarantees	1 year, starting with the date of the additional act signing. Payment ways: via bank transfer
----	---------------------------	------------	---	---	---	--	---------------	---

***Of the amount of 1.537.947 lei, 934.395 lei represents receivables from to the loan contract with Teraplast Hungaria Kft.

OBS: Mutual claims are on June 30, 2018;

Financial Manager

Birta Ioana

Birta Ioana
 SOCIETATEA TERAPLAST S.A.

Ernst & Young Assurance Services S.R.L.
 30. IUL 2018
 Signed for ins. qualification

