

ROMCARBON SA

**INDEPENDENT ASSURANCE REPORT
AS OF
30 JUNE 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 Appendix A 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 January 1, 2016 to June 30, 2016. The Appendix 1 is 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 first part of 2016 with affiliated parties.

Procedures performed

- 1) Obtain Appendix 1, detailing the list of transactions reported for the first half of 2016 and agree the details of the contracts reported in Appendix 1 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 Appendix 1 signed by Management and we agreed the details of the contracts pertaining to the first half of 2016 reported in the Appendix 1 to the underlying contracts. Our procedures have been applied only to the Appendix 1. 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 January 1, 2016 – June 30, 2016. Our procedures were applied only to the transactions/contracts that exceeded 50,000 EUR during the 1st 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 1, space was rented to Living Jumbo 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 first half of 2016 no price changes were included in the contract.
 - b) With respect to the contract 353 dated 22.01.2016 on (replacing contract 161/2010 in Appendix 1), photopolymer cliches were sold to Living Jumbo Industry. 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 dated 04.02.2010 (Appendix 1), 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, EUR 16.5), plus a markup of 0.5%.
 - d) Electricity is sold to Living Jumbo Industry SA under contract no 2586/1/12.07.2005 (Appendix 1) 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) With respect to contract no 1841/29.12.2009 (Appendix 1) services for stations and trafo stations exploitation are provided by Energo Install to Romcarbom. 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.
 - f) There were acquisitions for green Fir polypropylene from Living Jumbo Industry SA based on orders – the selling price includes the production price plus a mark-up of 6.52%. This half-finished product is purchased only from LivingJumbo Industry.
 - g) There were sales of polyethylene grains to Living Jumbo Industry SA based on orders – the selling price is based on acquisition cost plus a 0.5% mark-up.

Conclusion

Based on our work as described in this report, procedures 1-4, with respect to the contracts listed in Appendix 1 for the period January 1, 2016- June 30, 2016, nothing has come to our attention that causes us to believe that:

- a) The contract details noted in Appendix A1 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 depend 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
July 28, 2016


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Nr. 420 / 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 Berbu



Director Financiar,
Zainescu Victoria-Ioana



Tranzactii parti afiliate - valori estimate an 2016

Parte	Calitate contractuala	Parte	Calitate	Obiect contract	Nr. Contract	Penalitati/Intarzieri	Termene si modalitati de plata	Valoare estimata in 2016 [fara TVA]	Durata contract	
SC Romcarbon SA	Locatar	SC Info Tech Solutions SRL	Locatar	Inchiriere spatiu	1816/23.12.2009	0.15%/zi	30 ale lunii in curs	10,679	prelungire automata 1 an	
	Locatar		Locatar	Inchiriere spatiu	1815/23.12.2009	0.15%/zi	30 ale lunii in curs	3,348	prelungire automata 1 an	
	Locatar		Locatar	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	1808/23.12.2009	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	256,896	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	182/14.01.2016	0.15%/zi	5 zile de la emiterea facturii	4,000	14.03.2016	
	Cumparator		Vanzator	Diverse servicii, diverse echipamente IT pe baza de comanda	Comanda Furnizor-ITS	-	-	30 zile de la emiterea facturii	180,000	-
	SC Romcarbon SA		Locatar	SC RC Energo Install SRL	Locatar	Inchiriere spatiu	1814/23.12.2009	0.15%/zi	30 ale lunii in curs	49,696
Locatar		Locatar	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		1811/23.12.2009	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 motorstivuitor		921/26.04.2011	0.06%/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 trafa - Bz		1841/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	430,892	prelungire automata 1 an	
Beneficiar		Prestator	Exploatare statii pompe apa		1839/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	428,580	prelungire automata 1 an	
Beneficiar		Prestator	Intretinere instalatii gaze		1840/29.12.2009	0.06%/zi	15 zile de la emiterea facturii	31,512	prelungire automata 1 an	
Beneficiar		Prestator	Prestare servicii citire contori		1835/24.12.2009	0.06%/zi	15 zile de la emiterea facturii	2,760	prelungire automata 1 an	
Beneficiar		Prestator	Service utilaje, 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 trafa -IS		1836/24.12.2009	0.06%/zi	15 zile de la emiterea facturii	27,000	prelungire automata 1 an	
Beneficiar		Prestator	Masuratori dispersie prize de pamant		2298/12.08.2010	0.06%/zi	15 zile de la emiterea facturii	12,500	prelungire automata 1 an	
Beneficiar		Prestator	Intretinere poduri rulante si stivuitoare		3365/31.10.2013	-	-	15 zile de la emiterea facturii	30,000	prelungire automata 1 an
Beneficiar		Prestator	Revizii tehnice la doua poduri rulante		82/19.08.2015	-	-	30 zile de la predarea amplasamentelor libere de sarcini	25,308	initial 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		3750/16.05.2013	0.06%/zi	15 zile de la emiterea facturii	500	prelungire automata 1 an	
Beneficiar	Prestator	Prestari servicii - service instalatii defecte	4088/27.12.2013	-	-	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	S.C. LivingJumbo Industry SA	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	2586/1/12.07.2005	-	-	15 zile de la emiterea facturii	2,994,843	prelungire automata 1 an
	Vanzator		Beneficiar	Furnizare utilitati - apa	2586/2/12.07.2005	-	-	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	
	Locatar		Locatar	Inchiriere spatiu	1960/01.09.2006	0.15%/zi	5 zile de la emiterea facturii	500	prelungire automata 1 an	
	Vanzator		Beneficiar	Inchiriere motorstivuitor	924/26.04.2011	0.06%/zi	15 zile de la emiterea facturii	-	prelungire automata 1 an	
	Locatar		Locatar	Inchiriere server	1138/29.01.2015	0.15%/zi	15 zile de la emiterea facturii	9,180	prelungire automata 4 ani	
	Prestator		Beneficiar	Procesare deseuri	4899/29.09.2015	0.03%/zi	60 zile de la emiterea facturii	135,000	29/09/2016 cu posibilitatea prelungirii pe o perioada de 12 luni	
	Locatar		Locatar	Inchiriere spatiu	619/19.04.2010	0.15%/zi	Pana in data de 30 ale lunii in curs	541,719	01/11/2022	
	Cumparator/Beneficiar		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 lucrari de prelucrari mecanice	6564/10.07.2015	0.05%/zi	30 zile de la emiterea facturii	7,500	Initial 1 an, cu prelungire automata an de an			
	Vanzator/Prestator	Cumparari de stocuri de materiale, marfuri si servicii pe baza de comanda	comanda furnizor-LJI	-	-	30 zile de la emiterea facturii	400,000	-		

SC Romcarbon SA	Vanzator	SC Yenki SRL	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	Locatar	Eco Pack Management SA	Locatar	Inchiriere spatiu	559/28.02.2012	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	-
SC Romcarbon SA	Locatar	NEXT ECO RECYCLING S.A	Locatar	Inchiriere spatiu	in curs de semnare	0.15%/zi	data de 10 ale lunii	89,204	
	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 Radu

Director Financiar,
Zainescu Viorela Ioana